

Complex structure care home development loan

Case studies

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Name of case study: 102211 - Complex structure care home development loan in North West England

- **Day one loan amount:** £1,421,000
- **Total facility:** £8,292,766
- **LTGDV:** 55.6%
- **Term:** 19 months
- **Security:** First charge
- **Product type:** Development finance

TAB is providing a loan of £8,292,766 for the construction of an 80 bed care home in the North West of England, secured by a [first charge](#) against two land sites with full planning permission. The loan term is 19 months, and the loan-to-gross development value (LTGDV) is 55.6%. The borrower is an experienced healthcare provider and property developer specialising in care homes, who owns a limited company within an offshore trust. Although the offshore ownership structure made the deal complex, TAB was reassured by the borrower's track record of successfully completing similar projects.

TAB's security consists of two sites with planning for a total of 160 beds within care homes. However, the development loan is funding the construction of one 80 bed care home. The borrower's plan is to build one of the care homes, then upon completion start occupying the beds and will refinance TAB with another term debt lender. The borrower will then prepare the construction of the second site.

One of the challenges for structuring and underwriting the loan was establishing access rights to the development. The experience and knowledge of the borrower meant that this was already in place. The other challenge was to negotiate a collaboration agreement with the other third parties involved. The site sits within an area of three land sites with planning and the associated lender of the third plot had to agree to a collaboration for the construction of the borrowers care home.

Read the full press release [here](#).

We are delighted to support Voltaire with a complex development loan for a care home for one of their long-standing clients. This was a team effort but a special mention to Faith, our underwriter on the case who did an incredible job. At TAB, we take a pragmatic view of deals, and this was no exception. While this case may not have been a typical fit for our criteria, the deal stacked up well, and the quality of the sponsor, led by a great advisor then that is where TAB can really make a difference.

Nick Russell, Sales Director

This was a complex transaction with multiple entities and agreements, but everyone worked together to resolve the challenges and come up with a structure that suited all parties. TAB was impressed by the borrower's expertise and their success with other schemes provided TAB additional comfort for lending on this security. We look forward to working with him again.

Faith Ndebele, Underwriter



TAB.

"It was great to be involved in getting this development loan over the line and working in harmony with all the counterparties to ensure that numerous factors including planning collaboration and offshore issues were all properly addressed to enable a borrower with a great product to continue growing its health care business.

Daniel Fireman of gunnercooke solicitors who advised TAB on the loan

Capital is at risk. Property values can go down as well as up. Borrowers may default and investments may not perform as expected. Interest and income are not guaranteed. Returns may vary. You should not invest more than you can afford to lose. TAB is not authorised by the Financial Conduct Authority. Investments are not regulated and you will have no access to the Financial Services Compensation Scheme (FSCS) or the Financial Ombudsman Service (FOS). Past performance and forecasts are not reliable indicators of future results and should not be relied on. Forecasts are based on TAB's own internal calculations and opinions and may change. Investments are illiquid. Once invested, you are committed for the full term. Tax treatment depends on individual circumstances and may change.

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