

An Introduction to the

“low start” Market Maker

together with case studies

Why is the cost of funds so cheap at a commencing interest rate of 4.95% including lenders' margin?

The cost of funds is based upon the 30 year inverted yield curve of the swaps (fixed) interest rate market. It will be seen that 30 year swap rates are considerably cheaper than, for example, 1 year rates.

To this, a specialist Treasury function has been structured which incorporates a low start interest rate rising after 6 years. The cost of funds has been reduced further by providing the lender with a break option after 6 years.

What types of properties are acceptable?

The securities must have longevity – remember, as a 30 year fixed interest rate contract, the property must provide a secure income for the period as well as the property having a quality 30 year life.

The types of properties which are acceptable are as follows:

- Quality residential investment portfolios (including student accommodation)
- Modern student accommodation purpose-built blocks
- Quality well spread commercial portfolios
- Single assets let to quality tenants with long term (25 years plus) leases
- Housing Association and Primary Health Care Trust Portfolios
- Hotels and Leisure with long term tenant commitments

For more information ask for the FAQ guide.

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Exclusive to the UK

4.95% p.a.*
including lender's margin

“low start” 30 year fixed interest loan
rising to circa 6% after 6 years – with
lender's only breaks after 6 years
(without penalty)

Client comments:

“The “low start” interest rate gave my company
very substantial cash flow benefits”

“We were able to safely borrow more as
the income serviced a higher debt.”

“By refinancing through the “low start” I increased the loan.
**This became my contribution to acquire an
additional portfolio - win, win”**