

# Multi property applications

## Case study



## We have two customers who jointly own five mortgaged buy to let properties in their personal names.

They want to incorporate them into a limited company structure and they're looking for the best option available to help them save money, pay low fees and borrow additional funds.

The challenge they have is two of the five properties can't get funding individually as they're higher than the LTV limits and are low yielding, meaning they're restricted to much lower borrowing. See below.

### Let's look closer at their portfolio

Property	Market value	Mortgage	LTV	Rental Income
Property 1*	£150,000	£125,000	83%	£800 per month
Property 2*	£150,000	£120,000	80%	£800 per month
Property 3	£160,000	£120,000	75%	£900 per month
Property 4	£170,000	£100,000	59%	£900 per month
Property 5	£170,000	£90,000	53%	£1,000 per month

### What are they looking for?

The five properties are valued at £800,000 and the debt stands at £555,000. They want to increase borrowing to 75% overall whilst keeping their fees as low as possible.

By choosing this, they'll be able to combine all five properties on one application. The application will be stressed across all properties, not individually, so the two properties that may have been difficult to get funding on are now incorporated into the portfolio as we blend and combine all LTVs and rent together as one.

### How does this work?



#### One stress test

By combining all of the properties rental income together we can use excess rent from higher yielding units to support others within the application.



#### One combined LTV

We'll lend on the aggregated value of all subject properties to help maximise the borrowing capacity within the application.

## What's the benefits for the clients?

- **Choice of fees** - We have a choice of no fee, flat fee (payable once, not per property) or percentage fees (based on overall borrowing) which are designed to offer multiple stress test solutions.
- **Free valuation** - We offer free valuations on all standard purchases, incorporations and remortgages.
- **Assisted legal fees** - On remortgages we offer free legals on personal named applications or assisted legals on limited company applications (personal guarantee costs apply chargeable once per director, not per property).
- **Additional funds** - We allow capital raising for many reasons including funding more property purchases and for business purposes.
- **One mortgage account** - Your clients will have one account, one Direct Debit payment and one maturity date for the whole portfolio, which helps them to manage their portfolio.



## How does this help the broker?



### One application

You can submit up to 30 properties of the same security type on one application using our **specialist buy to let portal**.



### Packaging and underwriting

There's one set of packaging requirements for the whole portfolio and one underwrite.



### Team

Our BDMs are experts on managing these types of buy to let applications and are always on hand to support you.

## What else do you need to know?

### Conveyancing

- **Conveyancing portfolios up to £5m** - For assisted legal fees, we'll allocate a managed panel conveyancer (applicable to remortgages). For non-assisted legal fee transaction please select your own conveyancer to act dual representation. They must be registered with us via Lender Exchange, and meet our criteria as set out in our [buy to let conveyancing guide](#). Please note all conveyancing costs will be covered by the borrower.
- **Conveyancing portfolios £5m to £10m** - We'll instruct our own conveyancer to act for the bank. Your client can choose to be represented by the same firm for an additional fee, or instruct their own conveyancer. Please note that all conveyancing costs will be covered by the borrower.
- For more information, see our [buy to let conveyancing guide](#).

### Legal costs

For purchases from Individual to Limited Company the applicant(s) will be responsible for the total legal costs required to complete the mortgage transaction, including the costs of the solicitor acting for Aldermore.

### Cross border applications

Applications that have properties in two different countries would need to be separate. For example a portfolio of 6 properties, with 4 in England and 2 in Scotland would result in 2 multi property applications.

### ICR

Not all properties need to meet the minimum interest cover ratio for the application to be considered.



## The detail

- All properties on the application must complete the same day.
- Multi property applications must comprise of two or more properties of the same type.
- Multi property applications cannot mix purchase and remortgage transactions on one application.
- Properties can be released from the portfolio subject to any applicable early repayment charges. The portfolio will require re-weighting to ensure the original loan to value, interest cover ratio, and any loan covenants continue to be met (please note properties cannot be added or substituted following completion).

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If you want to know more about our multi property product, speak to our team who'll be happy to help.

**0333 321 1000**

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