



STRATA FUNDING

commercial financiers and brokers

January 2010

Over the last 12 months there has been significant changes in the way lenders assess commercial property applications and it is opportune to update our information.

How much will Lenders provide against commercial investment / owner – occupier property?

- Varies from 50% to 66% depending on the lenders criteria and assessment of the property.

What interest rates can I expect for a loan up to \$1,500,000?

- Banks

Floating	7.25% to 7.75%
6 months	6.25% to 7.25%
1 year	6.75% to 8.0%
2 years	7.75% to 8.75%

- Non-bank Lenders (e.g. Solicitors Nominee Companies & Mortgage Trusts)

9 – 10%

- Finance Companies

11 – 13 %

What fees can I expect on a commercial property transaction?

- Banks – up to 1.0%
- Non Bank – 1.0% to 1.5%

What loan terms apply?

- Generally Banks will endeavour to match the term to average lease term say 2 – 3 years and require principal payments based on a say 15 year term with limited interest only periods.
- Non-bank lenders will lend interest only for between 1 to 15 years.



What do lenders consider when reviewing a commercial property loan application?

- Applicants background, experience & all existing liabilities
- Location of property
- Nature of building
- Quality of tenant
- Lease terms
- Net cashflow

What information do I need to provide to Strata Funding Ltd?

To best represent an application to lenders we would require:

- Balance sheets & trading information for existing companies
- Statement of Positions from shareholders / guarantors
- Recent (i.e. within 3 months) valuation of property addressed initially to Strata Funding Limited from a respected commercial valuer.
- The valuation to include extensive comparative evidence & analysis.

What can I expect from Strata Funding?

- We will discuss and understand the client's current & future needs and gather all necessary information to prepare a professional lending proposal.
- This will be submitted to appropriate Lenders on a controlled basis to negotiate the most advantageous funding package available that best suits the client's needs.
- We will keep the client and you informed throughout the process.
- Our fee for negotiating and sourcing a suitable loan arrangement is up to 1% plus GST of the loan amount and only becomes due when a formal Letter of Offer from a Lender is accepted by the client.

CALL US TODAY TO DISCUSS IF WE CAN BE OF ASSISTANCE TO YOU OR YOUR CLIENTS



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