

MFS Top 5: Uses of a commercial bridging loan

There are several ways a commercial bridging loan can help you take advantage of the current climate. Purchasing at the right time could help you increase your property yield and support the UK property market. Here is our MFS top 5 uses of **commercial bridging finance**.

1 New office building

One of the most common uses for commercial bridging loans is to purchase new office buildings. We often work with brokers or clients who are looking to purchase a new building to:

- Start a new business venture
- Move office
- Expand their business and increase their office space

How MFS could help: If you're looking to expand your business or increase your property portfolio, a **commercial bridging loan** can help. Commercial assets often have a high net value which usually require a large loan. We have dedicated funding lines for our large loan enquiries. This allows us to deploy these funds in a quick and efficient manner, despite the loan size. This could help safeguard your deposits and meet tight completion deadlines.



2 Going semi-commercial

A semi-commercial property is a popular investment choice when it comes to utilising a commercial loan. They can be a good place to start for property investors who are new to commercial assets, as they use semi-commercial properties to seek to minimise potential risk, because income is received from at least two individual sources. This almost provides a form of income protection against delayed payments.



The residential area will usually reside above the commercial unit. These residential dwellings will be flat(s) that can be rented out to tenants. Housing multiple flats may increase your monthly income. In these scenarios, you might consider using an estate agent to manage the building and residents.

The ground floor will generally be utilised by the commercial business. This may also include the basement and/or the first floor, depending on the size of your asset.

Find out more about buy-to-let's and managing renters in our [Guide to Buy-to-Lets](#).

3 Increasing Company Assets

Renting out an office building, either floor-by-floor or as one larger rental property can be a way to increase company income through unused or newly purchased space. Whether you're looking to:

- Purchase additional building through your company to start a new business venture
- Rent out the space to alternative companies to receive a monthly income

How MFS could help: You could use a bridging loan to initially purchase a property and avoid mainstream finance deadlines. With no early repayment charges, the bridging loan can then be paid back at the best time for the company. Our bridging loans are available from 3 - 21 months.

4 Renovations or conversions

Renovating can be a way to increase the overall value of a property should you be looking to:



Sell the property in upcoming months after increasing its value



Modernise the property to appeal to new buyers



Refurbish individual commercial spaces to let them out individually



Convert a commercial building into residential properties to sell on or let

5 Auction Deals

People often buy at auction for the opportunity to unlock hidden equity in rundown, unusual or older properties that have potential. Many properties in these conditions go for a reduced rate. If you're looking to refurbish or convert a property to sell on for a profit or rent out at a later date, then an auction house could be the ideal place to purchase your next property investment. Renovation works could generate a strong profit upon reselling, particularly if you're able to purchase the asset at a reduced price.

- When purchasing a property at auction, you'll be given an average completion period of 28 days

Whether you need a **commercial bridge loan** or **bridging finance for property development** (permitted only), funds can be in your account in as little as three days. This can provide adequate breathing space to prepare a long-term financial strategy.

Commonly Asked Questions:



What is a semi commercial bridging loan?



Our **commercial bridging loans** require at least 40% of the property to be commercial. This means that semi-commercial properties need to receive 40% of their total value from their retail unit.



How much can I borrow?



Your loan amount will depend on the property value and the loan-to-value you require. We lend from £100,000 to £20M with up to 75% LTV on all our products.

[Use our bridging loan calculator to see how much you can borrow.](#)



Am I eligible for a commercial bridging loan?



Our **bridging loans** are fast and flexible, meaning we can lend to a wider selection of borrowers. We provide loans on a case-by-case basis. By taking a step back, we consider the larger picture, not just the individual. Whether you're new to commercial property or you have special/complex circumstances, contact us today to see how we can help. Examples of deals we will consider include applicants that may have:

- CCJs
- Missed mortgages
- Adverse credit
- Annulment of bankruptcy

[Have questions about how bridging loans work? Visit our bridging hub today.](#)

Moving quickly on prospective properties is vital. That's why we guarantee a response within 4 hours of your enquiry. In such a competitive industry, bridging loans are an essential part of the market. Alternative finance is taking a lead on investment opportunities.

Find out more by visiting www.mfsuk.com or call us on +44(0)20 7060 1234.