Commercial Investment Mortgages

A commercial mortgage is underwritten around the property and the quality of its income.



A shop, warehouse or office investment presents different risks from a standard rented house.

01 Read the lease as carefully as the rent

- Assess tenant covenant, lease term, break clauses, rent review provisions, repairs and the treatment of service charges.
- A headline yield can be misleading where a short lease or weak tenant threatens near-term income.
- Identify whether the borrower is an investor or trading business occupying the property.

02 Check the security and cash-flow case

- Lenders may assess valuation using investment yield, vacant possession value or another approach.
- Expect questions about location, use class, condition, environmental issues and alternative use.
- Model repayment capacity after insurance, repairs, management and void allowances.

03 Plan for refinancing and reletting

- Check lease expiry against mortgage term and likely refinance date.
- Assess whether capital expenditure or statutory compliance could be required before reletting.
- Avoid dependence on a single tenant without enough reserve to withstand a vacancy.

THE NUMBERS | ILLUSTRATION ONLY

A unit generating £45,000 rent at a hypothetical 7.5% investment yield suggests a £600,000 value before valuer adjustments. At 9%, the same rent implies £500,000.

The mistake to avoid

Commercial values can shift materially even when contractual rent has not changed.

Documents worth preparing

Lease and rent schedule; property details; business accounts if owner-occupied; EPC and surveys; tenant covenant information.

DISCUSS A DEAL

Send the property, borrowing requirement and your timescale to deal@wefinanceuk.com, or call 020 3917 2651.

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Important information

Your home may be repossessed if you do not keep up repayments on your mortgage. The Financial Conduct Authority does not regulate most buy-to-let mortgages. Bridging finance is typically a short-term, higher-cost form of borrowing and carries risks, particularly if the planned exit strategy is not achieved. A clear repayment strategy should be in place before entering into any agreement. Commercial bridging finance is not regulated by the Financial Conduct Authority.

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