

A photograph of a modern, multi-story apartment building at night. The building features large glass windows and balconies, many of which are illuminated from within, casting a warm glow. The sky is a deep blue. In the foreground, there is a metal railing and some greenery, also illuminated by streetlights.

INTRODUCERS
GUIDE

VAT FUNDING FOR COMMERCIAL PROPERTY

Bridging VAT
Your Specialist VAT Funding Partner

Bridging Vat

ABOUT US

Bridging VAT Ltd are your specialist VAT funding partner. We have developed the "go-to" VAT funding product for commercial property transactions in England Scotland, Wales and Northern Ireland.

An independently funded principal lender, we have in-house accounting and tax expertise so we understand the issues involved with VAT on commercial property, and will discuss them with you and your client in a clear and accessible way.

We understand that VAT charged on commercial property purchases does not top most of people's list of subjects for polite conversation. But every commercial property buyer must plan for the cash flow shortfall that paying the VAT will cause. As a commercial finance broker or intermediary, it is essential you know where to turn to for expert advice on this specialist lending product.

VAT funding is a deal enabling finance product, and can be the difference between a successful completion and the one that got away.

We work in partnership with you to provide the right advice to your clients.

VAT + COMMERCIAL PROPERTY

Most commercial property in the UK is continuously 'opted-in' to the VAT System. Buyers normally choose the 'opt-in' route to allow the recovery of any VAT associated with maintaining and developing the property during their period of ownership. Examples would be a retail unit being re-furnished or a residential development site being built. When an 'opted-in' property is sold, VAT is charged on the sale of the property and at completion the buyer is liable to pay VAT to the seller on the purchase price. After completion, the buyer includes the VAT paid on their purchase in their next VAT return, giving rise to recovery. This cycle continues until a buyer does not 'opt-in' and foregoes the ability to reclaim future VAT. It is worth bearing in mind that most commercial mortgage lenders adopt a maximum of loan to value criteria of 70-80%, leaving many borrowers experiencing difficulty in securing the short term funding required to settle the VAT.

WHY SHOULD YOUR CLIENT BRIDGE THE VAT?

Don't tie up all available capital - Keeping liquid contingency in reserve is very prudent when buying commercial property, whether it is for unforeseen bills or refurbishment programs.

No need to liquidate existing investments - Using Bridging VAT Ltd negates the need to free up capital from existing investments or projects, which can be timely and expensive.

Don't miss opportunities - We have examples of where VAT lending has enabled developers to take on more projects than they would if they had tied up capital in the VAT.

Keep profits at a maximum - Utilising capital from a profit share partner to cover the VAT requirement can dramatically reduce each site's profitability.

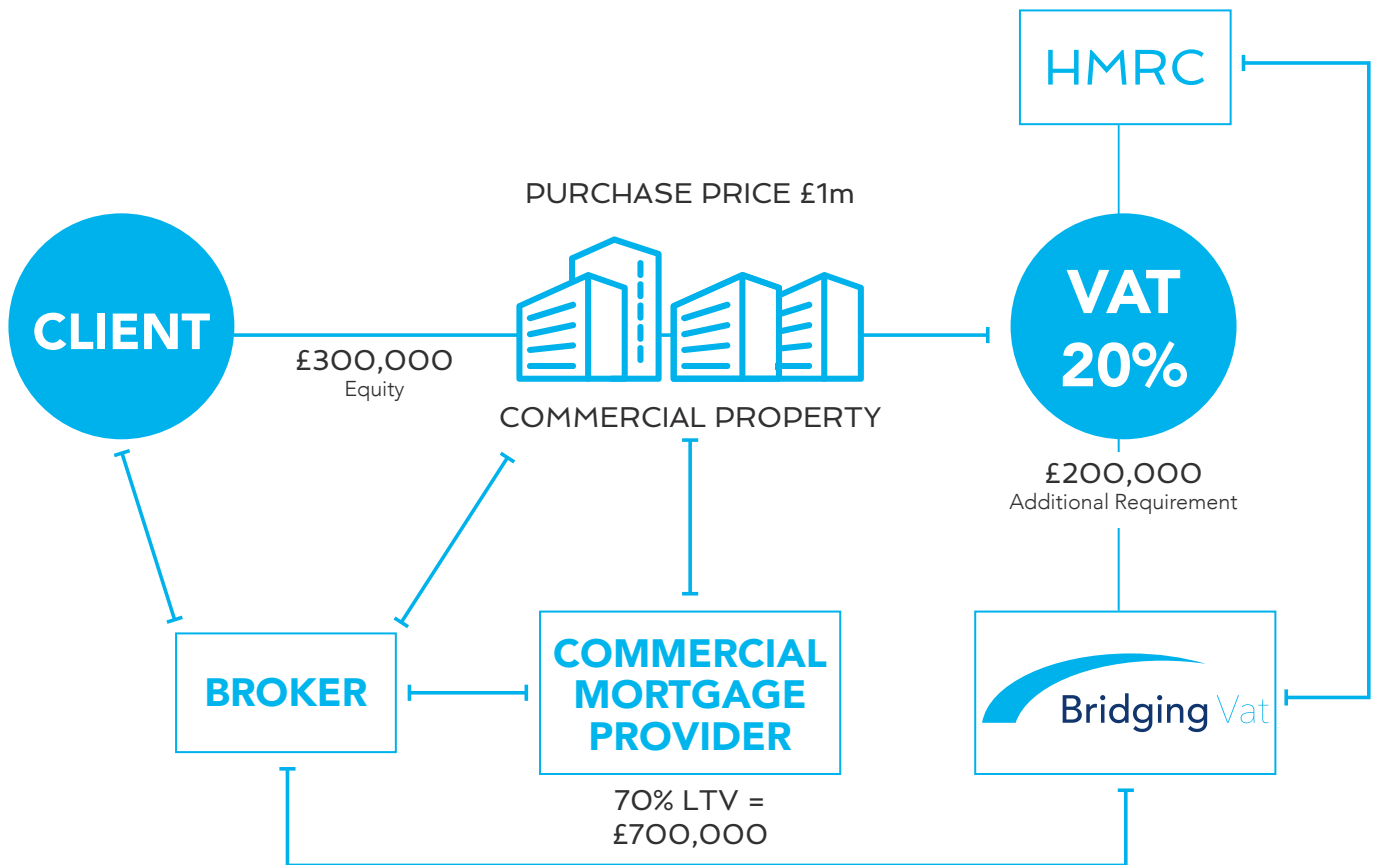
Speed of transaction - If a completion date is approaching fast, Bridging VAT Ltd can move quickly to ensure all VAT requirements are met for your client's purchase.

Additional revenue - As well as being a deal enabler, Bridging VAT Ltd pay generous commissions to introducers.

No cross selling - We only offer VAT loans and nothing else. Your client is safe with us.

Experts in our field - We know how to recover VAT, leaving your client free to concentrate on their business and new commercial property purchase.

HOW IT WORKS



EXAMPLE LOANS

Suffolk

Net Advance of £110,000

for property developer due on purchase of commercial building to be demolished and rebuild 19 residential units

Birmingham

Net Advance of £550,000

for property developer due on purchase of commercial units to demolish and rebuild 148 residential units

Scotland

Net Advance of £1.2m

for property developer due on purchase of development land

KEY POINTS

- Advancing 100% of VAT due
- Loans from £50,000 to £5 million and more
- Same day illustrations and offers
- Streamlined due diligence process
- Standard loan documentation
- Pro-active management of your VAT recovery
- 90 day standard loan term
- Daily interest, subject to minimum period, with no early repayment penalty

TALK TO US TODAY

Refer your clients

We like to keep things simple and efficient so to request an illustration, just provide us the following information, and you will have a personal illustration for your client within an hour.

Company Name

Property Address

Purchase Price

Funding Structure

Anticipated Completion date

You can trust us to fund the VAT on your clients' commercial property deals.

To find out more about becoming a Bridging Vat introducer or to discuss a particular case, please call us on 01206 645050 or email us on info@bridgingvat.com



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