



Financial Architecture.

ICE³
PROPERTY FINANCE

Our story

Ice³ Property Finance is a niche Property Finance Brokerage that operates nationally from its head office in York and its satellite in Shoreditch, London.

With decades of experience in the property sector, we specialise in sourcing, structuring and implementing finance solutions for clients across the property industry. Our clients include:

- **Property Developers, Residential and Commercial**
- **Regional and National House Builders**
- **Hotel Developers**
- **Commercial Property Investors**
- **Residential Property Investors**
- **Professional Service Providers**

We have strong, well-established relationships with banks, funds and specialist lenders across a wide spectrum and look to create the best strategy for our client's objectives, utilising these relationships.

We have coined the phrase 'Financial Architecture', which we believe best describes our ethos and company mission statement. We look to work with our clients to create the strongest structure to achieve their property finance goals. This structure can range from the simplest funding solution to a complex, multi-layered capital stack. Either way, we endeavour to present our clients with a clear understanding of their options and work with them to implement the strategy that works best for them.

Tom Frank

TOM FRANK
DIRECTOR



TOTAL FUNDING ARRANGED TO DATE AT Q1 2021

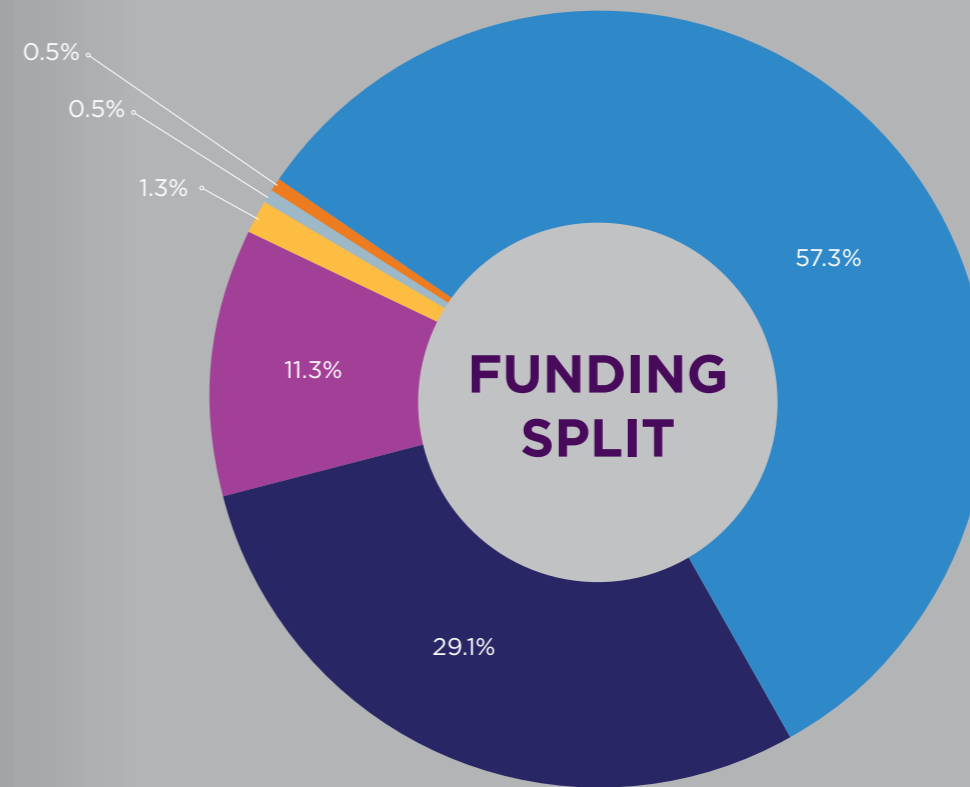
+£124m

TOTAL PIPELINE OF FUNDING AT Q1 2021

+£73.3m

Ice³ Property Finance was founded in June 2017 with the specific purpose of offering a niche service to property developers and investors. Our ethos of providing a service that was tailor-made for the challenging conditions that exist within the UK property market has seen the company arrange over £124M of finance for its clients. With a pipeline of almost £75M we expect to exceed £250M by the end of 2021.

With finance packages ranging from £250,000 to £25M and beyond, Ice³ is able to offer solutions across the property spectrum. As the diagram opposite shows, the company delivers multiple products across the financial mix, with a focus on development lending, short-term/bridging lending and commercial mortgages.



- DEVELOPMENT
- COMMERCIAL BRIDGE
- COMMERCIAL INVESTMENT MORTGAGE
- RESIDENTIAL BRIDGE
- RESIDENTIAL INVESTMENT MORTGAGE
- OTHER



We have been working with Tom and his team for several years now. We have completed countless deals and every one has been a great opportunity. The process is smooth and the eventual outcome has always gone to plan. I am always excited when the phone rings and it's Tom calling with a new deal.



LUDO MACKENZIE
HEAD OF COMMERCIAL PROPERTY
OCTOPUS REAL ESTATE

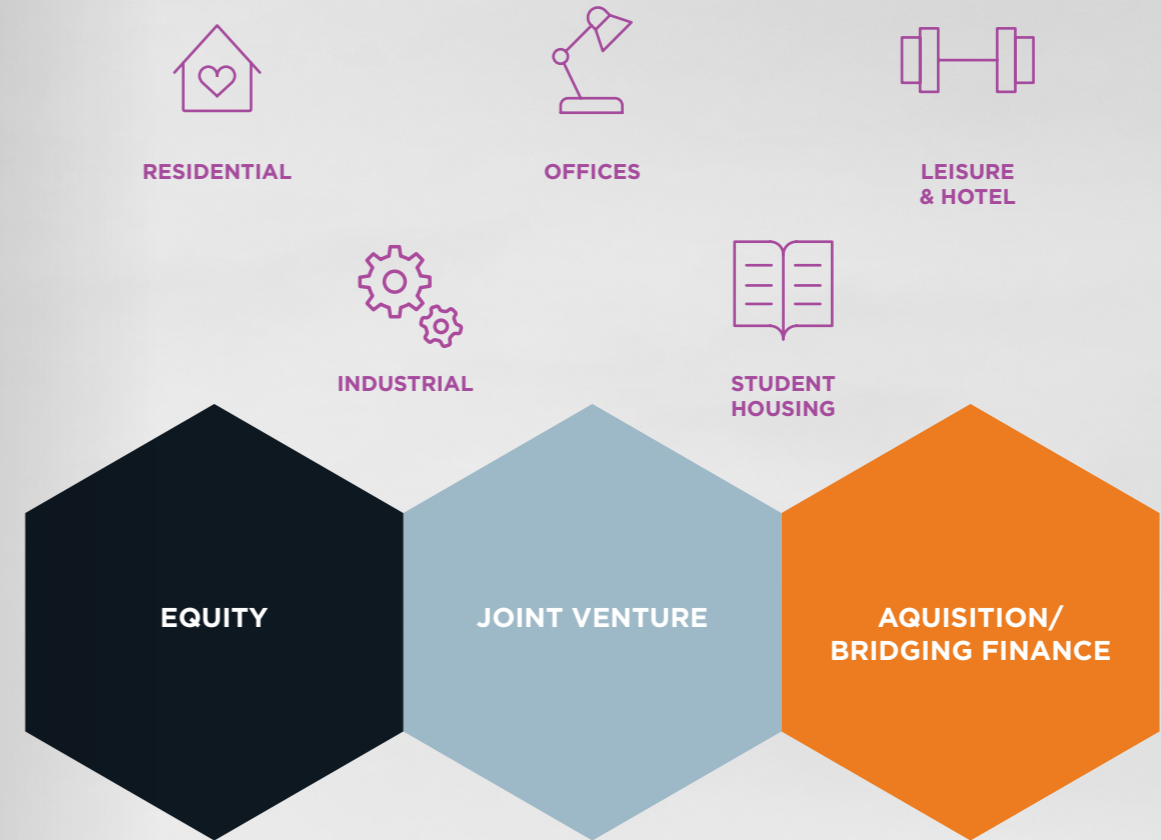
development finance



Senior Debt is the foundation on which all development finance capital stacks are constructed. Ensuring the best senior debt solution is therefore essential to the success of any development project. We work with a full range of providers from high street banks and challenger banks through to niche development lenders and debt funds to ensure the best fit with both the client and the project requirements.

Stretched Senior is senior debt with an increased loan to cost and/or loan to value. Stretch senior has the advantage of increasing the available funding, without the need for mezzanine finance. This can have the advantage of reducing the overall blended cost of the debt package and also producing a smoother more cost-effective solution due to the removal of any additional charges or legal fees associated with a second lender.

Mezzanine Debt or "Mezz" provides a facility that reduces the gap between the senior debt and the equity required to be injected by the borrower. Mezzanine debt is a useful tool to increase loan to cost and loan to value, where a borrower does not have the available capital to meet the equity requirements of the senior lender. Typically, mezzanine debt will take a second charge security position behind the senior lender.



Equity is the financial input by the borrower into the project. Usually, this is in the form of cash but can sometimes be in the form of additional security. In most cases, lenders will require a set minimum level of equity for a project. This level can be reduced by introducing Mezzanine Debt, as already mentioned. It can also sometimes be reduced by the consideration of "soft equity" - soft equity takes the form of value created in the project usually via the gain of planning permission or by marriage value of more than one title. In some cases, a small amount of lenders will also provide some or all of the equity for a project.

A small amount of lenders in the market offer what is known as a JV Lending Structure. These structures vary in their specifics but essentially the borrower provides the project, in most cases, having gained the planning permission to add soft equity. The lender then provides the full costs of development and in some cases the land acquisition. The lender charges an interest rate on the funds and then there is a profit share arrangement on the project profit. While these structures have a high overall cost, they do provide an option for developers who do not have access to the required equity.

Bridging Finance is covered later in this document but it is often a key part of development finance. Bridging can be an effective tool when acquiring land for development when either time is of the essence or where the land requires an alteration of the planning permission before development funding can be sought. On some occasions bridging can be used to acquire land without planning or with planning pending.

bridging finance

WHAT IS BRIDGING?

Bridging finance is short term finance that is quicker to deploy than a traditional mortgage product and usually has limited exit penalties, allowing a client to move in and out of the finance arrangement quickly and cost effectively. Bridging Finance can be used in a number of situations, but the key ones are as follows:

TIME

If you are looking to purchase a property and the timescale is tight, perhaps it is an auction purchase, or the vendor requires a very quick sale, term debt can take several months to put in place, so a bridge can be used to acquire the property while the long-term debt is secured.

PLANNING

Very often bridging can be used to acquire a property where there is planning gain. The bridge would then allow the planning gain to be achieved and the value increased, thus allowing the property to be either refinanced (based on the higher value) or sold.

ADD VALUE

Much like the planning scenario, if you are able to add to the value of a property in the short-term, you may not wish to be tied into a term facility at the lower valuation. An example of this could be to acquire a commercial property where the average lease length (WAULT) is short but you are confident that you can increase the lease length and thus increase the value. This may also apply to a vacant property where the value of the property can be improved by securing a tenant.



- Auction
- Planning Gain
- Active Management
- Timescale

- Sale
- Re-finance
- Re-structure

EXIT IS THE KEY

Most lenders will require you to prove an exit strategy to a bridge, but it is really down to you and your broker to ensure that this exit is realistic. An exit will usually fall into one of two categories - sale or re-finance of the asset. Occasionally, it can be via the sale or refinance of a separate asset.

CASE STUDIES

Here are two examples where we have used bridging loans in the correct way for our clients. In both of these examples, we worked with Together. Working closely with the team, we were able to secure fast, effective funding and ensure an exit was available.

COMMERCIAL OFFICES - TIME

In this case study our client secured the purchase of a large, multi-tenanted office building, off market, for circa £13m. The seller, a large US fund, required completion within 28 days of exchange for not marketing the property on the open market. We worked closely with the lender to ensure their valuation requirements and legals were in place to allow completion to occur on time. The client was then able to make some small adjustments to the lease profile in terms of break clauses. We were then able to refinance the property onto a term facility.

RESIDENTIAL PLANNING ACQUISITION

A second example relates to a significant residential scheme in York.

Our client entered a bidding process, via CBRE, to acquire a brownfield city centre site that while, zoned for residential in the local plan, did not have planning permission in place.

Many bridging companies are cautious of sites without planning but Marc and Rob worked closely with us, and a combination of the quality of the site, their confidence in the client and in us, along with their understanding of the planning process allowed us to secure funding for the client to acquire the site on a 24 month basis.

Over the 24 months, the client was able to secure planning for over 600 units on the site. This obviously increased the value significantly and we were then able to secure finance via Octopus to repay the bridging facility and move forward with the development of the site.

WHEN SHOULD I NOT BRIDGE?

You should not use a bridge because you cannot secure term finance at all or where a bridge provides a higher loan amount than term finance (unless of course one of the above added values applies). You should not use a bridge to raise finance for other purposes, unless you are certain of being able to repay. Essentially, you should not use a bridge in any circumstance when you do not have an exit.

commercial property finance

Commercial mortgages are available for clients looking to purchase or refinance properties that they wish to occupy for their own use or equally for clients looking to buy properties on an investment basis. With a wide range of funders, we can offer finance solutions for a range of property assets including:



Having worked with Ice³ and their director Tom Frank for more than five years, we're incredibly impressed with the way they build what they have termed "financial architecture" for their clients



**MARC
GOLDBERG**
CEO
TOGETHER
COMMERCIAL FINANCE



residential property finance

In addition to the work we do with residential developers, we also work with investors on their residential portfolio requirements. This may be a developer, who has decided to retain a development or a number of units from a development; or it may be an investor looking to acquire or refinance a portfolio of properties. We can assist with purely residential portfolios or portfolios that have a mixed asset base.

We are also able to assist with bridging finance for residential acquisitions and exit bridges for developers looking to repay development debt while they achieve completion on sales.

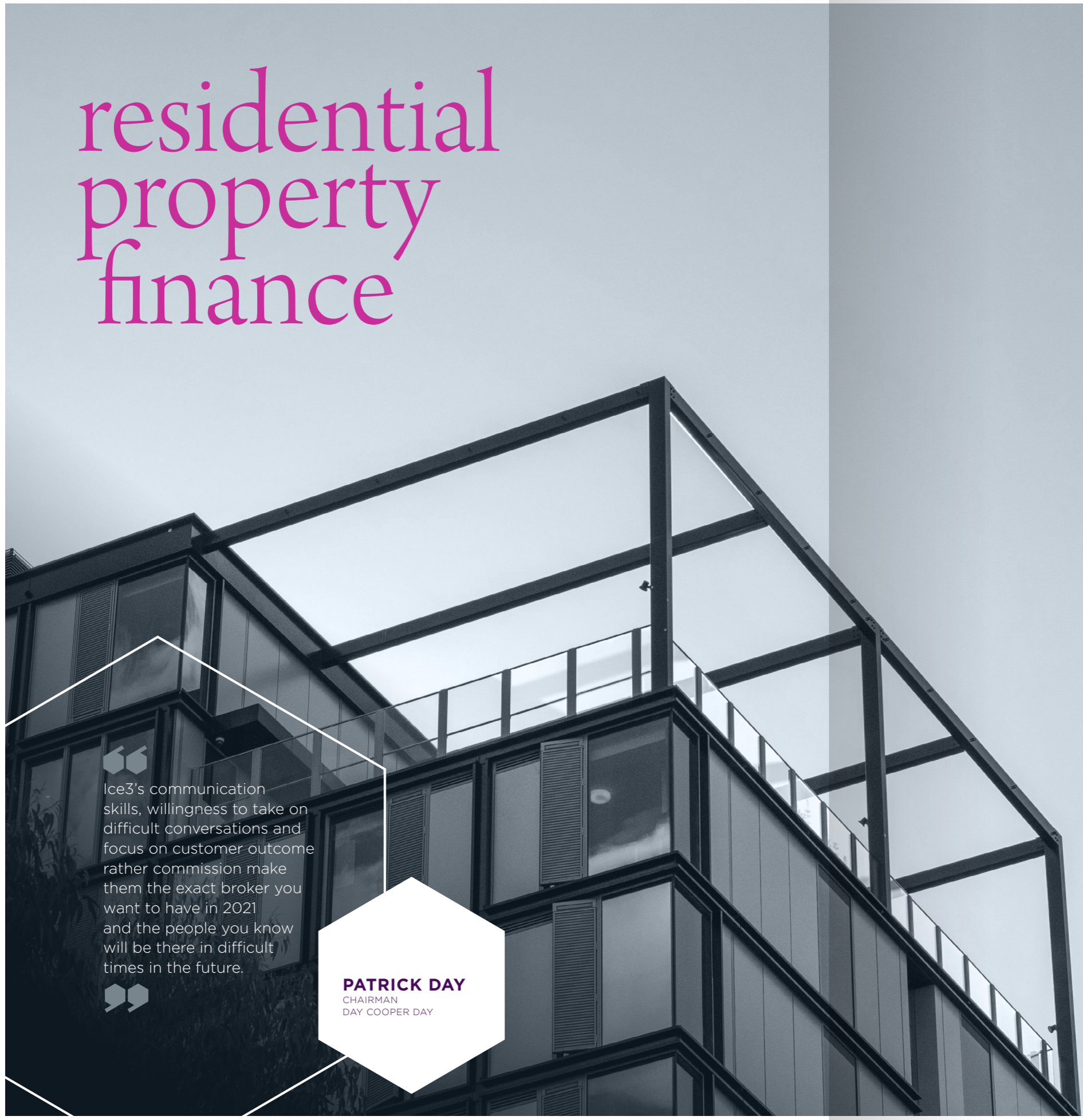
We also work closely with Synergy Regulated Finance to offer individual clients assistance with buy to lets or home owner mortgages.



- BUY TO LET LTD COMPANY INVESTMENT MORTGAGES
- RESIDENTIAL PORTFOLIO FINANCE
- RESIDENTIAL BRIDGING FINANCE
- TRADITIONAL BUY TO LET AND HOME OWNER MORTGAGES (VIA SYNERGY REGULATED)

Ice3's communication skills, willingness to take on difficult conversations and focus on customer outcome rather commission make them the exact broker you want to have in 2021 and the people you know will be there in difficult times in the future.

PATRICK DAY
CHAIRMAN
DAY COOPER DAY



financial architecture

Ice³ have developed the concept of Financial Architecture. Essentially, this is the concept that your finance broker is an integral part of your project and should not only be integrated into the overall project but should also understand each element of your project and how it fits together and interacts and responds to changes in the financial structure of the project. The old school approach to broking is to simply introduce a project to a funder and that's the job done.

At Ice³ we ensure we understand all elements of the project. We understand planning, architecture, development and legal etc. Not to the extent of each individual consultant but to a level that allows us to ensure we develop a financial strategy that enhances and enables the other elements of the project and ultimately and most importantly the project as a whole.

As in traditional architecture, we ensure that the strategy, structure and implementation of our solutions provide solid foundations and a successful project.

We remain involved in our clients' projects from day one, right through to delivery and often beyond. When required, we act as a financial project manager for our clients, liaising with the other members of the team, particularly the legals to ensure a smooth transaction.

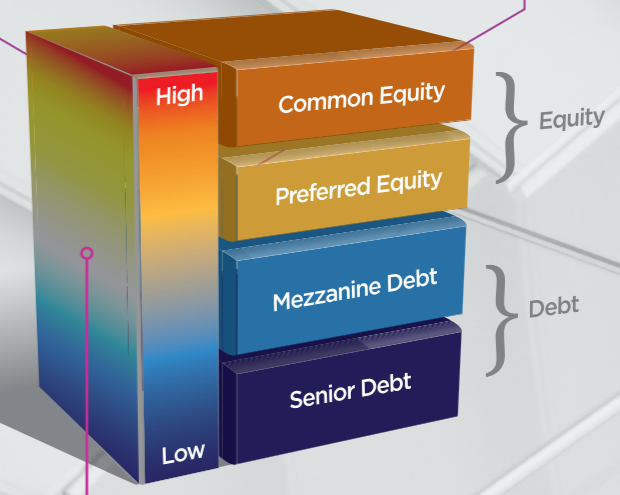
Ice³'s Financial Architecture approach to our business, as well as yours, ensures you get much more than just a broker.



ARCHITECTURE

“the art or practice of designing and building structures”

THE CAPITAL STACK
The term “capital stack” is comprised of the total capital invested in a project. In commercial real estate, these “stacks” typically include: common equity, preferred equity, mezzanine debt and senior debt. Understanding the capital stack structure is a key component in our financial architecture.



Potential Return & Risk

case studies

BRIDGING FINANCE

CLIENT
Investment/Development Company

PROJECT VALUE
£13.5M

LOCATION
York

SUMMARY - Client required funding to acquire a large office building with a mix of tenants. The client required short term funding to allow them to apply for planning permission and/or restructure the lease profile of the property.

MIXED USE COMMERCIAL MORTGAGE

CLIENT
London based Developer/ Investor

PROJECT VALUE
£2.6M

LOCATION
East London

SUMMARY
The client had developed a mixed use commercial and residential property in East London and required long term debt to add the properties to their existing investment portfolio.

BRIDGE FOLLOWED BY DEVELOPMENT

CLIENT
Northern Based Development Company

PROJECT VALUE - £86M

LOCATION - York

SUMMARY - This was a staged financial plan for a client who acquired a significant development site in the city for which we secured bridging finance. Once planning was achieved, we then structured an infrastructure loan for the client, followed by the main development facility.

DEVELOPMENT FINANCE

CLIENT
Private Developer

PROJECT VALUE
£2.2M

LOCATION
Essex

SUMMARY
Development finance for 11 new build apartments in an attractive seafront location.

COMMERCIAL MORTGAGE

CLIENT
UK plc

PROJECT VALUE
£2.5M

LOCATION
York

SUMMARY
Our client was the pension fund of a UK plc, who required a refinance of their HQ office building to allow them to change pension trustees.

DEVELOPMENT FINANCE

CLIENT
Private Developer

PROJECT VALUE
£4.2M

LOCATION
Manchester

SUMMARY
Funding for a permitted developed of 12 apartments in a former Edward Walters designed warehouse in central Manchester.

WHY WORK WITH US?

FINANCIAL ARCHITECTURE - We believe our holistic approach to property finance is our key strength and consequently is a key strength to your business or development.

PROPERTY FOCUSED - Unlike many of our industry colleagues we focus on property only, it is what we know and it is what we are good at.

SECTOR KNOWLEDGE - Our team has a vast experience in the industry, inside and outside of the financial sector, including agency, planning, legal and development. This allows us to understand your challenges and find solutions.

RESULTS FOCUSED - In most cases, we operate on a results only basis. We only get paid when you get a financial package with which you are happy.

RANGE OF LENDERS - We have a wide range of lenders available, ranging from PLC Banks to niche property lenders and from debt funds to family offices.

CLOSE LENDER RELATIONSHIPS - More important than availability of lenders is our relationship with those lenders to ensure we are able to source the best product for you and ensure its smooth delivery. Having relationships at senior levels helps us achieve this.

PROFESSIONAL INTRODUCTIONS - We see ourselves as part of a team and are able to assist you to build your team by introducing solicitors, planning advisors, architects, quantity surveyors etc, where an existing relationship does not exist.

ADDITIONAL SERVICES - via our associated companies, such as Synergy Regulated Finance, Ice³ Consulting and Buttonwood Madison, we can offer a range of additional support including regulated finance, asset finance, sales and marketing consultations and introductions to professional advisors.



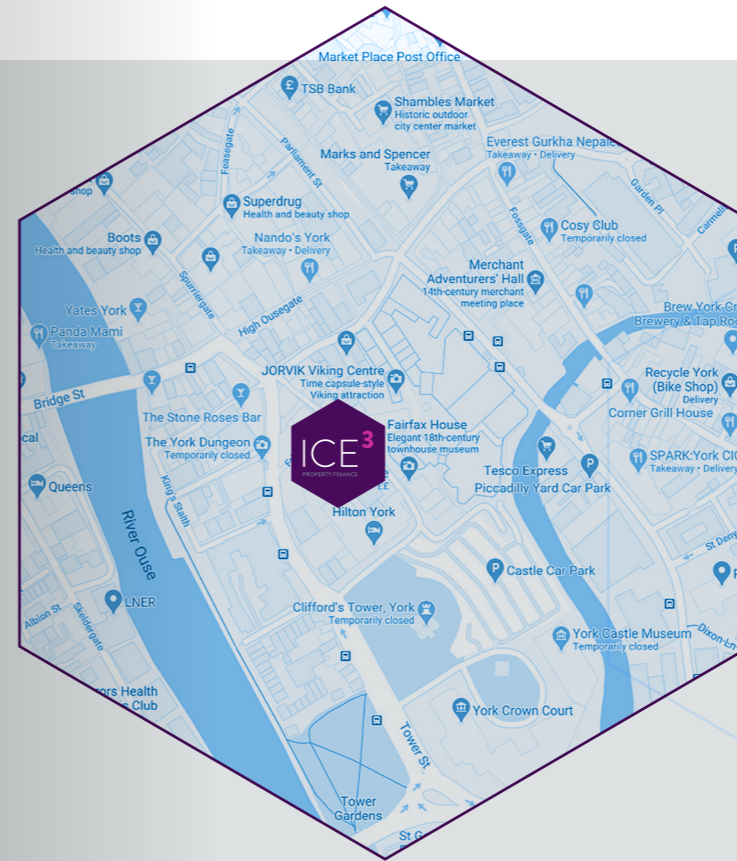
awards & partners

We have been privileged over the years to have been associated with a variety of industry bodies and sporting partners as well as being recognised in industry awards. Below are a few of those associations.

SYNERGY
COMMERCIAL
FINANCE



NACFB
Helping Fund UK Business



ICE³
PROPERTY FINANCE

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YORK



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LONDON

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Tom understands the requirements of both the lender and the client, and uses his expertise to make sure that the transactions run smoothly and complete on time. He is a pleasure to deal with.



**ROBERT
OLIVER**
SALES DIRECTOR
CASTLE TRUST

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Synergy Commercial Finance is a trading style of Ice3 Property Finance Ltd which is an independent commercial finance broker not a lender, as such can introduce you to a wide range of finance providers depending on your requirements and circumstances. We are not independent financial advisors and so are unable to provide you with independent financial advice. Synergy Commercial Finance may receive payment(s) or other benefit from the finance provider if you decide to enter into an agreement with them.

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Ice3 Property Finance Ltd is a franchisee of Synergy Commercial Finance Limited