

Security

Security is assessed on a far greater range of criteria for Commercial Mortgage:

- Loan to Value (LTV)
- Tenure (Leasehold or Freehold)
- Age of the property
- Condition of the property
- Type of construction
- Planning permission
- Restrictions on and changes of use
- Location; supply and demand of similar property
- Business Issues; services available, communication links & available labour
- Alternative uses; flexibility makes the property more marketable
- Covenants; the lender will be keen to ensure that there are no covenants that would restrict its ability to sell or lease the property if it has to take possession
- Other security; personal guarantees