

## Additional Property Criteria

### All Properties

- The property must be suitable for letting at completion.
- The property should be let on a single Assured Shorthold Tenancy agreement (with the exception of HMOs/MUFBs).
- Buildings insurance must be suitable for rented properties.
- The property must be insured for the full reinstatement value as recommended by the valuer in the report.
- The property must be freehold, leasehold or absolute owner. Leasehold properties should have a minimum unexpired lease of 45 years after the end of the mortgage term.
- Blocks of flats – up to 5 stories high.
- Properties built within the last 10 years must have suitable guarantees, e.g.
  - NHBC
  - Zurich Municipal policy
  - Premier Guarantee
  - LABC Hallmark new homes, Build Zone
  - ICW building warranties
  - Supervised by a suitably qualified Architect
- Maximum exposure to any block of flats is 25% or one unit (whichever is greater), this includes the applicant's properties with other lenders.
- Where the surveyor confirms that specialist reports are required we will require the applicant to arrange the reports which will be sent to the valuer for comment.

### By Exception

At our absolute discretion the following property types may be considered on a case by case basis.

- Non traditional construction where the valuer advises it is widely mortgageable and has high market demand.
- New Build Flats.
- High rise flats over 5 stories - must have access to a lift.
- Freehold flats - subject to our solicitors comments on the title and a suitable Deed of Mutual Covenants.
- Ex-local authority flats.
- Flats above shops - we will only accept flats situated above/adjacent to commercial property where the valuer can confirm the valuation is not adversely affected by the retail outlet. Flats above fast food outlets, petrol filling stations and similar will not be considered.
- Studio flats, with a minimum of 30sqm, must have separate bathroom.
- Flying freeholds - considered to a maximum of 15% flying element and subject to access and maintenance provisions.

### Property Exclusions

- Properties with low demand as a result of location/ condition/ maintenance.
- Properties with Local Authority approval for uses other than residential.
- Non-traditional construction e.g. Timber frame, concrete or any designated defective under the housing act.
- Converted properties where the applicant is resident in a different unit in the building.

- Properties which are subject to any restrictions (occupancy/use/resale), e.g. Agricultural restrictions.
- Properties which are, or have been shared ownership.
- Properties located adjacent to an electrical sub-station or communication mast or within 100m of overhead high voltage cables/ pylons.
- Properties subject to adverse notices, mineral extraction, contaminated land, landfill, mining subsidence.
- Right to buy scheme or subject to a pre-emption clause.
- Built within the last 10 years without an NHBC certificate or other guarantee acceptable to us.
- Properties with solar panels which are subject to a lease agreement.
- Properties adjacent to commercial premises which could materially impact marketability, e.g. late night fast food outlets, petrol filling stations.
- Properties held in Trust.