

## Pearman Court, Luton

Residential Development in Luton £12.365m



### About

The Route – Finance is providing a total of £12.365 million to refinance the purchase of a site and the development of 88 residential units.

Under 30 minutes from London by train, the Bedfordshire town of Luton is one of the UK's current residential property hotspots. In 2017, when 'shovel-ready' land became available close to the main station on Collingdon Street, entrepreneur Rob Dennis saw an opportunity to purchase the site and build a complex of apartments through his company Acre Invest (Luton) Ltd.

At the time of purchase, the plot already had consent for 88 apartments, providing Acre Invest with a green light for development. Under the terms of the planning permission, all the properties could be sold on the open market, with no requirement to provide a percentage as 'affordable housing'. Acre Invest planned to build 30 two bedroom apartments, plus another 58 one bedroom units, with the estimated sale price starting at £170,000 and rising to £325,000 for the largest

### The need for a flexible solution

#### 1. An Inexperienced Developer

Although Rob Dennis had experience in property sales, he had none in development. For many lenders, this would not be acceptable, but The Route – Finance was able to accept this due to the experienced project management team assembled by the borrower.

#### 2. 100% Loan to Cost

Unlike many Lenders, The Route - Finance is able to provide 100% of costs if the Loan to Gross Development Value is acceptable.

#### 3. Additional Special Features

3.1 An element of the purchase price was deferred and agreed to be paid from the development facility.

3.2 The Borrower applied for planning consent for an extra floor during construction and a further facility has been agreed to fund the additional works; and

3.3 The vendor of the site had a restriction on title which was dealt with satisfactorily by the solicitors in order to provide a clear first charge to The Route – Finance.

### Key Figures

Loan Amount: £12.365 million

Type: Bridge & Development

Size: 88 units

Location: Luton, Bedfordshire

GDV: £21.5 million

Loan to Cost: 100%



The Route really is the lender to turn to for complex, hands on, lending scenarios. Simply put, if it wasn't for The Route's 'can do' attitude, I wouldn't have been able to get my development in Luton off of the ground."

Rob Dennis, CEO of Acre Invest Ltd