

Real Estate Finance

News Update



STB REF funds trio of deals to the tune of £40m

A £40 million investment loan from Secure Trust Bank Real Estate Finance has helped Warwick Investment Group acquire 39 residential properties in London's exclusive Mayfair and Belgravia districts.

Warwick is consolidating residential assets across central London under its rental brand with the aim of becoming a top ten private landlord in the city.

STB REF provided the finance under its Greener Homes Scheme, which requires 90 per cent of properties, measured by area, to have an EPC rating of A, B or C.

Chris Daly, relationship director and head of origination, Midlands and South, at STB REF said: "Warwick Investment Group has ambitious plans in the UK. We're pleased to have supported the Group with a £40 million loan, enabling it to acquire three property portfolios and giving it a strong foothold in the market."

"We're passionate about supporting landlords and developers who share our commitment to sustainable property investment. Warwick demonstrated this with its commitment to future capital expenditure to achieve the highest possible energy efficiency of its properties by the end of 2022."

Andrew J. Chrysostomou, Warwick Investment Group UK senior managing director, said: "Thanks to Secure Trust Bank we have been able to kick-start our acquisition growth in the UK and start realising our long-term ambition of being one of London's biggest private landlords."



2021 ANNUAL RESULTS

In Secure Trust Bank Group's latest annual financial results (year ended 31st December 2021), Real Estate Finance reported a 5.5% growth in lending balances to £1,109.6 million (2020: £1,051.9 million), while new business lending doubled to £376.1 million (2020: £189.5 million).

We have an experienced, specialist team with many years of property expertise, who are nimble and responsive within the market. Through a difficult trading period, our partnerships with our brokers, introducers and customers have been key to a growth in lending balances in 2021. We maintain a strong risk management framework to existing and prospective customers, giving us a strong foundation.

Visit www.securetrustbank.com or our [LinkedIn](#) for more details.

STB Reading origination team appoints Mike Feasey as relationship director

Mike, who has more than ten years' experience in the banking sector, joins STB REF from Handelsbanken, where he was a senior corporate manager.



During his career, Mike has worked in a number of different roles and banking functions, including credit and portfolio management. At STB REF, he will focus on deal origination and management of a portfolio of clients with debt requirements of £2m - £50m for residential property investment and development in the UK.

Market Updates - PBSA

BY DAVID BURKE
RELATIONSHIP DIRECTOR

Your student days are meant to be the best days of your life, but I doubt the 2020/21 cohort would agree. Restrictions placed on socialising and the reduction in face-to-face learning due to Covid-19 meant students had a very different university experience.

From Secure Trust Bank Real Estate Finance's perspective, we saw our borrowers as owners and operators of purpose-built student accommodation (PBSA) feeling the brunt of this, with occupancy rates and rent collections temporarily falling.

Recent research by Savills, however, supports our experience that a bounce-back is already underway. According to the property consultancy's latest PBSA report, Unite - the UK's largest PBSA operator - reported 94% occupancy in 2021-22, up from 88% in 2020-21, whilst their rents have grown by 2.3%. We are seeing similar occupancy figures and rental growth in schemes we currently fund.

Both domestic and overseas students have returned to campus and applications are rising. According to the Higher Education Statistics Agency (HESA) data, in 2020-21 the total number of HE students stood at 2,751,865, an increase of 9% on the previous year.

Growth was driven primarily by UK domiciled students, with an additional 104k joining the student ranks and offsetting the decline in non-EU students, which fell to 9.9% (2019:16.1%). What's more, according to Savills, the number of 18-year-olds in the UK is projected to grow by more than 160,00 over the next decade.

This boost to the domestic demographic is good news for the PBSA sector's outlook.

Although many students reside in HMOs, PBSA remains their preferred type of accommodation. A Knight Frank/UCAS survey of 70,000 students revealed that 70% of first year students wished to remain in PBSA the following year, with 73% of second years agreeing.

[Read more here](#)

Vote for us at the Bridging and Commercial Awards



Voting is open for this year's Bridging & Commercial magazine awards. The Secure Trust Bank Real Estate Finance team will be entering the following categories:

- Service Excellence - Lender
- Specialist Product of the Year
- Best Specialist Lender

[Please vote for us](#)

Our chosen charity for 2022

Secure Trust Bank Real Estate Finance has chosen Prostate Cancer UK as its nominated charity for 2022.

To help raise money for the charity and awareness of prostate cancer, the team will be getting involved in various fundraising events and activities throughout the year.



Visit www.securetrustbank.com or our [LinkedIn](#) for more details of our support for the property industry.

Deals round-up



Aldel Designs Limited

The build-to-rent residential development comprises 62 one and two-bedroom apartments. The refinance will enable Aldel Designs to extend the property by adding two new floors, creating 12 further apartments.

LOAN
AMOUNT

£4.5m



Property Hub REIT

£1.4 million green investment loan for the acquisition of two luxury penthouses in Manchester and Nottingham, with an aggregate transaction price of £2.8 million, by Property Hub REIT SPV 1.

LOAN
AMOUNT

£2.8m



Arc & Co

Development loan to acquire and finance the construction of 8 family homes on the site of a former bowls club in West Finchley, London. Debt advisory firm Arc & Co secured the loan on behalf of a Hong Kong based developer.

LOAN
AMOUNT

£2.8m