

Commercial mortgages criteria guide

July 2025

Aldermore

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Commercial mortgages criteria guide

We can help your clients access the funds they need for smaller commercial portfolios across a range of property types.

Find out more about our lending criteria in this guide.

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Lending criteria

Lending amount	£500k to £3m	
Property sectors	Industrial Retail Semi Commercial Offices Mixed use portfolio	
Term	Minimum 2 years (variable) or 3 years (fixed) up to a maximum of: Interest Only Loans – 5 years Part & Part Loans – 10 years Capital & Interest Loans – 20 years	
Fixed / Variable	Fixed rates – 3, 5 or 7 year terms available – Early Repayment Charges will apply Variable rate – Interest linked to Bank of England Base Rate – Early Repayment Charges will apply until 3rd anniversary	
Loan to Value (excluding fees)	Capital & Interest and Part & Part Loans: up to 70% (Offices: up to 60%) Interest Only Loans: up to 60% vacant possession	
Debt servicing (tested against gross rent/EBITDA)	Capital & Interest Loans: 125% (145% if >15 year term) Commercial Investment, 165% Commercial Owner Occupier Part & Part Loans: 125% C&I and 145% I/O (Commercial Investment), 135% C&I and 165% I/O (Commercial Owner Occupier) Interest Only Loans: 145% Commercial Investment and 165% Commercial Owner Occupier Stress testing: Thresholds will be tested at pay rate plus 1% (except Fixed Rate Loans >5 years) DCSR tested annually for loans > £1m	
Customer types	Limited Companies Partnerships Sole Traders & Individuals UK residents only	
Security requirements	First Legal Charge Debenture Personal Guarantee capped at 20% of loan Cross guarantees may be required, depending on the merits of the case Deed of subordination will be required for director's loans	
Exclusions (not an exhaustive list)	Farms, Agricultural, Smallholding properties Docklands or marinas Incinerators Petrol Stations Restaurants/public houses	Abattoirs Commonhold Tenure Properties constructed using RAAC Properties located in a designated flood risk area EPC F or G rated properties

Pricing and fees

Pricing							
Fixed	7.5%						
Variable	4% over Bank of England Base Rate						
Fees							
Arrangement Fee	1.5% added to the loan outside of maximum LTVs						
Broker Procurement Fee	0.75% payable to the Broker by Aldermore						
Early repayment charges	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Variable for term	3.00%	2.50%	1.00%				
3 year fixed	4.00%	3.50%	3.00%				
5 year fixed	5.00%	4.50%	4.00%	3.50%	3.00%		
7 year fixed	6.00%	5.50%	5.00%	4.50%	4.00%	3.50%	3.00%

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GET IN TOUCH

Get in touch

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For Commercial Mortgage transactions between £500k - £3m:

Email us at: commercialmortgages@aldermore.co.uk

For Commercial Real Estate transactions between £3m - £50m:

New intermediaries:

Email us at: CREOriginations@aldermore.co.uk

We aim to get back to you within two business days

Existing intermediaries:

Please contact your Lending Manager

Our opening hours

Monday - Friday 9am - 5pm

Closed Bank Holidays



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Subject to status. Security may be required. Any property or asset used as security may be at risk if you do not repay any debt secured on it.

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