

Nov 08	Euro €		£ Sng		
	Bid	Ask	Bid	Ask	Bid
1 year	3.93	3.96	5.46	5.49	2.13
2 year	3.94	3.97	5.37	5.40	2.27
3 year	3.92	3.95	5.32	5.35	2.36
4 year	3.92	3.95	5.26	5.29	2.42
5 year	3.92	3.95	5.20	5.23	2.46
6 year	3.92	3.95	5.14	5.17	2.51
7 year	3.92	3.94	5.08	5.11	2.54
8 year	3.94	3.94	5.02	5.05	2.58
9 year	4.00	4.00	4.96	4.99	2.60
10 year	4.02	4.02	4.90	4.93	2.62
12 year	4.02	4.02	4.91	4.91	2.64
15 year	4.07	4.07	4.85	4.85	2.67
20 year	4.07	4.08	4.53	4.66	2.70
25 year	4.05	4.02	4.39	4.52	2.71
30 year	4.04	4.04	4.29	4.42	2.70

- London awaits the New Year with anticipation
- Liquidity still provides first mover advantage
- Blended and intelligent debt management is key

13th January 2010

Debt Management Paramount in 2010



As the dust settles from the arrival of the New Year, attentions turn to the prospects for 2010. Anyone hoping for a return to early nineties valuations, forced down by last years credit crunch, is likely to be solely disappointed. Contrary to all expectations, the Prime Central London property market appears to be recovering with some pace after a downturn that could easily have been missed by a long holiday. What remains certain is that these are still unprecedented times and should be approached with caution particularly where debt and finance are concerned.

Market Indicators

Sterling Base

rate: 0.50%

UK 3 month Libor

rate: 0.61%

Average available

Residential rates

from: 1.5% over

3 month Libor.

Commercial Rates

from: 2.5% over

3 month Libor.

LTV's between

50% - 70%

Spreading the risk

During the last quarter of 2009 a number of the traditional high street sources of credit began to return to the market. Cautious and not without a list of demands, many still prefer to support their existing client relationships but will at least consider new client opportunities. Tempted by the easing in credit availability, it is all too easy to eagerly take that which is on offer.. Blending a select group of lenders is more prudent than becoming beholden to just one. Equally adopting a balanced approach to credit through the creation of a debt portfolio provides a stronger platform for future negotiation. Although the appearance is that the market is more stable, memories however are not that short! Credit and the availability of short-term funds will continue to be key and spreading the risk is still the most prudent approach to the long-term management of debt.

Europe Commercial Portfolio

Debt management proved to be the key driver for a client with a commercial portfolio of north European real estate. With a valuation in excess of €50m, the client wished to raise the current debt from €15m to €25m in order to acquire further assets. The business-trading bank had no issues with facilitating the request but the client preferred to keep clear water between his personal and business banking relationships. The client's existing portfolios of personal banks would have been the obvious choice, but blending a new lending partner would provide the client with further credit options in the future. In this case the most obvious short-term solution was not necessarily going to provide the most flexible solution in the long-term.

"Your home is at risk if you do not keep up payments on your mortgage"

"The actual rates we can obtain for clients depend on and are determined by individual circumstances and what can be negotiated with individual lenders"