

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

- Tight liquidity remains despite talk of green shoots
- Institutional debt requires reciprocal investment
- Credit proposals in excess £300m, year to date

23rd September 2009 Spring In The Alps



In a market where liquidity is tight, raising finance on a luxury asset is challenging. Add into the equation the need to protect the interests of the introducing partner, an investment manager, plus the requirement to increase the debt in order to generate additional assets under management and the task suddenly becomes more daunting than climbing Mont Blanc.

Vestra Wealth, Investment Managers

Shortly after their official market launch in January 2009, W. Coleman & Co. signed a contract with Vestra Wealth to provide specialist credit advice to support their 360 degree independent wealth management proposition. Based opposite the Bank of England, in Cornhill and launching with a team of almost 100 staff; the Goldman Sachs backed LLP, asked W. Coleman & Co. to source a provider of credit which would enable its Relationship Managers to unlock the existing banking relationships of their previous client base. The challenge was to source a provider of credit willing to lend against luxury assets, without the 'sweetened' benefit of any reciprocal Asset Under Management business.

French Private Client Resident in Switzerland

The first test case was a brief for a Swiss client requiring credit on a newly renovated estate overlooking Lake Geneva. Despite the asset valuation, which consisted of a number of pieces of property, being almost CHF100m, the luxurious nature and high-ticket price proved to be too challenging for most potential credit providers. In addition to replacing the existing loan, which only equated to a third of the valuation, the client also wished to raise additional funds of up to 55% of the asset value, in order to re-invest under management. Under normal circumstances these funds could have been used to 'sweeten' the credit relationship, but in this case the funds would not come back to the credit provider, but instead be posted as External Asset Under Management and managed externally by Vestra Wealth. A complex and intricate case, having commenced the process in the bleak winter months of early 2009, funds were finally released as the ice melted on the Mountain Peak and the first spring flowers opened in the grounds of the property in Geneva.

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

Market Indicators

Sterling Base

rate: 0.50%

UK 3 month Libor

rate: 0.57%

Average available

Residential rates

from: 1.5% over

3 month Libor.

Commercial Rates

from: 2.3% over

3 month Libor.

LTV's between

50% - 70%

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