

Looking for a Crunch Busting interest rate?

- Do you have £25,000+ earning very little in a Bank or Building Society?
- Would you rather earn a **return of 5%** (p.a.) on an 8 month investment?

Investing in local projects



We act on behalf of clients seeking to raise £260,000 from up to 10 Private Investors in Gap Funding on a £1.2m office development at Manson Road, Perth. Gap Funding is the shortfall between what the Bank will lend and what is required.

Prior to the credit crunch Gap Funding was normally associated with major commercial deals. However, with Banks not lending the deposits they are taking in from savers there is the opportunity for those savers to earn a better return on their money by investing directly in local business projects.

Perhaps one of the positives of the collapse of the Banking sector will be a return to the times before the rise of the national Banks when local people grew their savings by investing in local projects.

Peace of mind



Our clients are keenly aware that any Private Investor will want to be assured that their money is safe. For peace of mind the funds invested and the interest they earn will be secured by way of a mortgage over the Development.

Private Investors will receive a report each month on the progress of the Development. Kirklands Law will pre-let one floor and we are in negotiations with a Government Agency regarding one of the other two floors. The Development will not start until one of the two remaining floors have been pre-let or pre-sold. The location, quality and versatility of the offices are the main attractions.

The Perth branch of the Clydesdale Bank has agreed to lend the bulk of the £1.2m Development Funding required to build the offices. They have also agreed that, on completion of the Development, they will provide a mortgage that will be sufficient both to repay the Private Investors and to convert the Bank's Development Funding into a mortgage. If we are able to pre-sell a floor, the risk to Private Investors becomes lower still.

Our clients have already invested their own funds in buying the site and obtaining planning permission. Theirs is a long term investment and their funds will remain in the Development until long after all of the Private Investors have been repaid.

How it will work



Interest at 5% p.a. (5.12% AER) on the amount invested will be paid out to Private Investors on a monthly basis. Our clients are in discussions with local builders who are confident that the Development will take no more than 7 months to build. Private Investors will be asked to send their funds a month before the start date in the Design & Build contract agreed with the Builder.

All sums due to Private Investors will be repaid when the mortgage funds are drawn down on completion of the offices.

- If you would like to become involved in something that will create jobs locally and that you can watch grow, then **contact** our senior partner, **Graham Gibson, on 01738 442299 (Ext: 704)** for further information.