



HILLTOP CREDIT PARTNERS

FREQUENTLY ASKED QUESTIONS

About Hilltop

When did Hilltop launch?

We officially launched in February 2019.

Who are Hilltop Credit Partners?

We have over 25 years of experience in property development. Hilltop Credit Partners is backed by Round Hill Capital, a leading global real estate investment management firm. Our team consists of experienced developers, investment managers and corporate finance professionals. We have originated and successfully managed property deals through challenging market cycles. We understand real estate development and are experts in dealing with market risk.

What type of finance does Hilltop offer?

We are a specialist debt funding partner for small and mid-sized UK residential property developers.

How does Hilltop differ to mainstream lenders?

We provide a one stop shop for up to 90% project cost and up to 75% of GDV. Our co-invest model means we're your operating partners from the start. Unlike the typical lender and developer relationship, our interests are aligned, and we're exit driven.

Does Hilltop take personal guarantees?

We judge this on a case by case basis, however typically we ask for personal guarantees of 15% on cost overruns.

What solicitors and valuers does Hilltop use?

We work with a panel of experienced solicitors and valuers on our projects.

What locations does Hilltop operate in?

We operate across the UK. Our aim is to help SME developers who know their local markets well but need capital to scale. As a result, we tend to focus on development opportunities outside central London.

Does Hilltop fund deals outside the UK?

We're focused on funding UK based developments, however in future we may look at international opportunities.

Does Hilltop work with brokers and introducers?

We like to build relationships with our developers hence we only work with a handful of carefully selected brokers and introducers.

Do Hilltop provide equity funding?

Hilltop doesn't provide equity funding. However, we do fund up to 90% project cost and up to 75% of GDV. This set up benefits our developer partners as their upfront equity requirement is less than most lenders.



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Can I find investors to fund the equity in my scheme?

Yes, we understand this is a necessity for many developers. We do have a few carefully selected partners that we work with to help our developers fund the equity. We like our developers to have some 'skin in the game' though so, as a guide, we expect the developer to put up minimum 10% of the equity.

How do I get in touch with Hilltop?

Email us at info@hilltopcreditpartners.com or alternatively, give us a call on +44 (0)203 903 6369 to have a chat with one of our team members.

Investment Criteria

What does Hilltop look for in a developer?

We want to work with developers who are experts in their local markets but need access to attractive capital to effectively scale their projects. We look to work with established small to mid-sized UK residential developers with demonstrable track records of building and selling residential developments.

What does Hilltop look for in a project?

We fund mainstream housing and alternative residential accommodation, including student housing and supported living. We focus on areas of England, Wales and Northern Ireland with strong supply/demand dynamics. As a general guide we look to fund projects requiring a loan size of £3 million to £20 million.

What's Hilltop's due diligence process?

We're looking for great operating partners so first and foremost we start with the development team. The project comes second. After an initial meeting and receiving your appraisal we'll run our own numbers and issue an 'Agreement in Principle' (AIP) with our key terms. We'll then create a short form internal memo followed by an indicative term sheet. If agreeable, we'll then validate with our valuers and quantity surveyor before formally approving the deal. We'll work with you at every stage of the process to ensure you remain informed and the result is win / win.

How fast can I get a decision?

We aim to get an 'Agreement in Principle' (AIP) to you in under a week so you can go out and secure your site quickly. The entire end to end process tends to take 6-8 weeks depending on the project.

Does Hilltop fund mixed use of commercial schemes?

Primarily we fund residential projects, however we will consider mixed use schemes. At present we don't fund developments that are purely commercial.

Does Hilltop fund projects where the developer is also the contractor?

Having the professional experience of being a builder can enhance the project returns so we assess these deals on an individual basis.

What size loans does Hilltop fund?

As a guide we look to fund projects requiring a loan size of £3 million to £20 million.

What fees are involved?

2% arrangement fee and 1% exit fee.



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Does Hilltop take a share of the profit?

We're your operating partner on the project, not a lender. We take on a higher level of risk which means we're exit driven and allows our interests to be aligned from the start. Our model enables developers to put up less funds up-front, so we take a third of the profit share at the backend.

What's the interest rate?

From 8% on drawn capital, rolled up and paid at maturity.

What's the loan term?

12 to 24 months

What leverage does Hilltop offer?

We provide a one stop shop for up to 90% project cost and up to 75% of GDV. We require the developer to put up at least 10% equity contribution.

Does my project need planning permission?

Yes, although we can proceed with a loan application while planning permission is pending.

Risks

What if the project overruns?

We keep an ongoing open dialogue with our developers throughout the course of the project. As developers ourselves we understand that projects can experience delays, so we work collaboratively together to find a solution.

What if the market drops?

The UK property market is constantly evolving. Our team have successfully managed deals through challenging market cycles. Our due diligence process allows for market fluctuations to ensure we don't put ourselves or our developer partners under unnecessary risk.

What if I face unexpected issues or need some support with the project?

The benefit of working with Hilltop is that we're partners on the project. We have over 25 years of property development experience and have a vested interest in the project's success. As a result, we're in constant communication with our developer partners. If you have any questions throughout the course of the project, then our team are just a quick phone call away.