
LEXI Finance - Real Estate Debt Advisory

LEXI

LEXI: About Us

LEXI is a real estate finance consultancy based in Soho, London.

The directors act as an outsourced finance function to SME property developers and investors. This approach enables our team to develop tailored solutions for long-term value optimisation and to expertly manage each stage of the finance transaction process.

LEXI structure debt and equity for a range of property projects across Europe and are actively working with clients to organise their funding packages.



Charlie Armstrong

Co-founder



Nick Holding Parsons

Co-founder



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LEXI: Our Focus

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Senior Debt:



The greatest range of real estate lenders sit in the senior debt space, funding development and investment opportunities across all real estate assets.

LEXI's market insight and intimate relationships enable us to structure each proposal with the most appropriate lender to match any given brief.

We work with over 150 financiers in the senior debt space, including high-street banks, challenger banks, boutique lenders, private equity houses, pension funds, forward funders, council allocations and insurance companies.

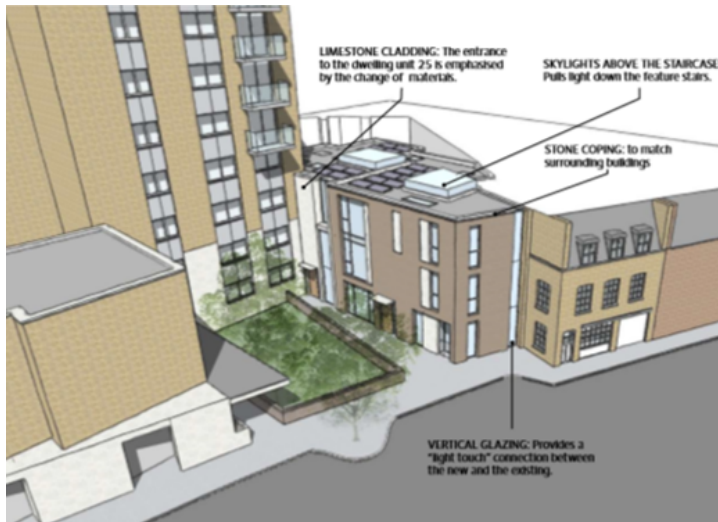
Short Term Finance:



LEXI work with short term finance providers in instances where a client requires speed, flexibility or time. Short term debt (or “bridging”) is often the solution which enables our partners to take an asset through planning or a scheme of improvement before it can be sold or refinanced onto long-term debt or development finance.

LEXI have access to the key lenders in this space, as well as a range of alternative funders, including high net worth individuals, private funds and boutique lenders.

Mezzanine Finance:



Mezzanine funding requires a particularly bespoke approach as it ranks second in priority to the senior lender. Mezzanine finance (or “junior” debt) can often be a useful tool to drive return on equity by reducing the sponsor’s own capital participation. LEXI employ mezzanine solutions where a client needs to deploy their equity efficiently across a range of concurrent projects.

The mezzanine market is predominantly funded by high-net-worth individuals operating through funds to deliver a return on their equity. They understand the risk adjusted return of second charge lending and can reach higher leverage than senior debt on the same assets.

Equity:

Equity participation (or “joint venture” finance) can be structured in various ways to facilitate the success of a project. Ultimately, equity investors are interested in the individual property developer as much as the asset. Equity investors take a share in the profits from a project’s success after all other lenders are repaid.

LEXI has a range of equity partners, from specialist situation funds to sophisticated investors, looking to deploy equity in the real estate space.



LEXI: Bridging Example



- Location: Sutton
- year 2019
- Loan: £14,250,000
- Loan to value: 75%

The client required a short-term loan against a vacant office with planning potential for a 149-apartment scheme as part of a wider regeneration project

We structured a bridging loan to allow the client to take the transaction through the planning process

LEXI: Development Example



- Location: Reading
- Year: 2018
- Loan: £10,100,000
- Loan to cost: 90%

Our client secured a vacant office building in Reading town centre

The asset was purchased and converted into 53 residential apartments and simultaneous to the construction of 'phase 1', planning was granted for a further 39 further apartments on the adjacent car park adding significant value to the site

We arranged a stretched senior facility to assist with the purchase and conversion of the existing building and to support the planning process for the additional apartments

LEXI: Mezzanine Example



- Location: Tunbridge Wells
- Year 2019
- Loan: £4,700,000
- Senior debt: 80% loan to cost
- Mezzanine debt: 12.5% loan to cost

Our client, a home counties house builder and asset manager, sought finance for the acquisition and conversion of a landmark period building into fourteen executive apartments

We structured a syndicated loan between junior and senior partners to meet the client's required return on equity and support their business plan for further growth

LEXI: Investment Example




- Location: West Drayton
- Year: 2019
- Loan: £3,500,000
- Loan to value: 65%

A developer client recognised the increasing demand from international students at Brunel University for bespoke luxury accommodation

The opportunity arose to purchase and develop a vacant post-office into student accommodation

Once developed, we structured a 5-year term loan that accounted for the projected improvement in occupancy levels from year 1 onwards. This allowed the client to retain the asset and add it to their portfolio



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