

Merry Christmas!



Simon Lindley
Commercial Director



Welcome

Uncertainty - Is it the Norm?

Welcome to the festive edition of our newsletter and as the end of the year approaches it is difficult not to look back on what seems to have been a turbulent year with Brexit, a new Prime Minister, Donald Trump being elected and Leicester City winning the Premiership – I don't think any bookmaker could have calculated the odds on all of these actually happening.

We are now faced with the familiar phrase that a period of uncertainty lies ahead of us and we all wonder how the markets and economy as a whole will react. In a conversation with Mike Kirsopp the bank's CEO, he made the point that in his 30 year banking career (*I have knocked 10 years off, as it is*

the season of goodwill!) he has never worked in an environment when there hasn't been uncertainty. When we look back over recent times there has been the Scottish referendum, Gulf wars, a financial market and property crash like no other, 2008 saw a 31% drop in the FTSE 100, a coalition government, London bombings, UK Olympics, plus its only 25 years ago that Base rate was over 13% and 8 years since the exchange rate was over \$2 to the pound and can anyone remember the millennium bug?

Yes, it's quite possible that there are uncertain times ahead for reasons yet unknown. Therefore, the outlook will always carry a large degree of uncertainty which makes it essential



for us to continue to operate in a safe and responsible manner for both ourselves and our clients. For this reason, we have continued to build out the front and back offices within the Bank. Currently at 119 members of staff we will ensure that we remain fit for purpose as we continue to grow all parts of our business throughout 2017, whilst maintaining a first class service no matter what uncertainties lie ahead.

I hope you can find a little time to enter our Christmas quiz. I will sign off for 2016 by wishing you and your families a very Merry Christmas and a Happy New Year from everyone at Cambridge & Counties.

What our *Brokers* are saying...

We work closely with our Brokers and respect their views and opinions. In this edition of the newsletter we have asked some of our Brokers for their answers about current concerns within the property market and here's what **Andy Churchill**, Real Property Finance, **Brian Wallace**, Anglia Commercial Solutions and **Darren Willoughby**, 2XL Commercial Finance had to say:

1

Now the property market has had time to adjust to the idea of Brexit – do you feel it has made any difference to investors' appetites for transactions in the up to £5m property value sector?

Andy: We still see plenty of investor interest if anything this grew post Summer holiday season... Business has been strong for us.

Brian: Certainly in the East Anglia area and from my level of enquiries, I have seen no difference for investors' appetites in residential or commercial property sectors. I believe the general view is that property remains a sound long term investment, both in terms of capital appreciation and income.

Darren: In every environment there is always an opportunity and savvy investors will always be able to seek out opportunities where they can either add value or get a better return on investment than they may well get in a savings account with a bank. Turnkey investments have taken a bit of a hit, particularly with retail commercial property where consumer confidence is low, and maybe the strengths of anchor tenants may not be as secure as previously thought. As far as residential is concerned, the shortage of housing and also those who can't acquire mortgages all still need a place to live so whilst returns may not be as high, residential housing still makes a fairly solid investment.

2

Has the raft of Government changes to the Buy To Let tax environment had any impact on investors' appetites to continue building up their Buy To Let portfolios?

Andy: Buy to Let income taxation changes/ SDLT changes are having some effect. People are thinking more about the vehicle with which to transact - limited company activities rather than individual activities are starting to be more prevalent. We are also seeing some people disposing of personally owned assets in anticipation of the tax changes. The SDLT uplift is also starting to hurt a bit.

Brian: Again I have seen no material change in the number of enquiries. That said, as the government changes evolve I could see borrowers with large portfolios in their personal names looking to restructure the way they hold their investments, perhaps over the next 2 or 3 years.

Darren: I believe that many who are already investors will just move with the times and if they aren't highly geared, then they will just take the hit and move on and continue making the right purchases at the right time. If anything, the changes might put off amateur investors and ensure that more professional and experienced landlords remain.

Boosting the Team *in Leicester*

We're striving to lend to more East Midlands property investors, so we've been on the hunt to find new talent to join our business development team based at our Leicester HQ.

Marco Brice and Simon Hickey have joined the team as Business Development Officers working alongside Business Development Manager Adam Jolley, and led by East Midlands Director of Business Development Steve Adams.

Marco, from Hull, is an Aston University graduate who spent a year working in financial services as part of his degree in Economics and Management. On joining Cambridge & Counties, Marco said "I wanted to take the opportunity to develop myself and by becoming part of Cambridge & Counties' real estate team I feel I can learn a lot around commercial and residential investments."

Simon, newly moved to the business development team said "Cambridge & Counties Bank is a fresh, exciting and forward-thinking institution going through significant growth. I have benefited from all the career development and support I could have wished for."

The East Midlands Business Development team has been one of the key drivers in the lending area which has now exceeded more than £550 million.



Asset Finance Leasing World **2016 Win**

In October 2016, our Asset Finance team scooped the prestigious Leasing World award for New Challenger Bank of the Year 2016.

Since the launch of Cambridge & Counties Asset Finance back in January 2016, brokers have been able to find a fresh and forward looking option for their SME clients.

It was never going to be easy. The Asset Finance market is mature and established and brokers have multiple funding choices. But, the Cambridge & Counties team has prevailed through their consistent, fast and flexible approach.

Mike Oxby, the commercial director, had this to say about the win: "Our current success and growth is due to actively looking for long term partnerships, being competitive in the right areas and most importantly looking forward and developing new products and services to suit the evolving asset finance market."

Huge congratulations to the Asset Finance Team!



Meet the *Team*

Mark Smith Senior Credit Underwriter

Mark Smith, Senior Credit Underwriter, joins us for our regular Meet Our Team feature. Turns out he's very likely to be a mild mannered Credit Underwriter with a secret identity...



The *Strangest Things* We've Funded

The final question we asked Mark was about the strangest property he has been asked to fund.

There were always going to be some strange answers, but we weren't quite expecting the bizarreness of Mark's apparently crazy career. Here's the list:

- A Lettuce Farm – Not that outlandish, it's just an incredibly specific thing to get funding for. It's just a completely random, out of left-field request.
- A Fun Park/Pony Farm – More farms! The sun park is the exciting bit though. We envisioned Mark unwittingly signing off the funds for a fledgling Alton Towers or Drayton Manor – never giving it a second thought despite his love of Theme Parks!
- A Former Brothel – Yep, one of Mark's strangest requests was a bakery on the site of a former brothel. We're thinking of all kinds of puns, none of which would get passed our editing process!
- A Legalised Cannabis Factory – Last, but not least, Mark had a funding request for a legalised Marijuana plant. This kind of speaks for itself in terms of strangeness. So we'll leave it there and let it sink in.

We can't help but wonder what else has been funded by our team over the years! Perhaps we can find out in future editions.

When are you happiest?

Spending time with family – or singing along to what my family would call "rubbish Dad songs" in the car.

What's your biggest pet peeve?

People who use hashtags endlessly – #annoying!

Where did you have the best meal of your life so far?

At home and anything my wife cooks. She is a regular winner of the Cambridge and Counties Bake Off after all.

Mastermind subject?

Spiderman – He has always been my hero and I'm lucky enough to be allowed to have several Spiderman figures on my desk. At this point I should thank Carl Ashley, whose children have donated to my collection as

they have apparently "grown out of them". I can't understand what they mean.

First album you purchased?

The first album I remember having is "The Jungle Book and other Disney Songs". The first I remember buying is "ABBA the Album"

How did you get into Real Estate?

Through the door like everyone else does! Seriously, I was moved to a Real Estate team with a previous employer that was segmenting their business. I thought it would be boring (build it for x, sell it for y), but quickly realised it was a fascinating and diverse sector.

Best piece of advice you've ever had?

Remember you'll always regret what you didn't do rather than what you did. I tell my children this all the time, I'm not sure it sinks in.

Christmas QUIZ

Win an Apple iPad Air 2, 32GB!

Answers can be emailed into us at kalpa.patel@ccbanc.co.uk by Friday 23rd December at 4pm.

The winner will be the entrant with the most correctly answered questions. In the case of a tie the winner will be drawn at random from those tying.

The winner will be announced on Friday 8th January 2017. Good luck!

1

In Charles Dickens' *A Christmas Carol*, who was Scrooge's ghostly business partner?

2

What colour are the berries of the mistletoe plant?

3

When was Trinity Hall (our 50% shareholder) founded?

4

When Kevin is left *Home Alone* for the first time, where is the family's destination for their Christmas vacation?

5

What is the name of the cake traditionally eaten in Italy at Christmas?

6

Of the following people, who was NOT born on Christmas day?
Dido, Theresa May, Humphrey Bogart, Isaac Newton.

7

Which country does St. Nicholas originally hail from?

8

In which year was *Cambridge & Counties* founded?

9

Gremlins is a Christmas classic (sort of) – but what creatures do Gremlins start out as?

10

Which Christmas song, with 50 million sales worldwide, is also the highest selling single of all time?

11

As of December 2016, how many staff work for *Cambridge & Counties*?
89, 119, 149, 179.

12

The boxer dog in 2016's *John Lewis* ad is called Buster. What was 2014's penguin called?

13

Mark Smith completed our *Meet Our Team* section in this newsletter. What's his job title?

14

What is a female turkey called?

15

Trinity Hall is one of our two 50% shareholders. Who is the other?

16

Who was the first monarch to deliver the Royal Christmas Message?

17

How many Christmas cards are sent in the USA each year?
Three hundred thousand, three million or three billion.

18

We all know that Rudolf's red nose leads the way – but can you name four of the eight other reindeer that help to pull Santa's sleigh on Christmas Eve?

19

Which Award did the Asset Finance team scoop at the *Leasing World Awards 2016*?

20

Michael Buble emerges every Christmas – so much so that it feels like he's always been a part of Christmas. But how old is he as of Christmas 2016?

21

What is the country of origin of the Christmas Pudding?

22

Which comic book giant released a series of annuals about Rudolph the Red-Nosed Reindeer?
DC or Marvel?

23

Who wrote the classic Christmas tale *The Grinch Who Stole Christmas*?

24

How many members are there in the East Midlands Business Development Team?

Cambridge & Counties Bank Christmas Quiz Competition Rules

- The competition is a test of your knowledge and skill. To enter it you must attempt all the Christmas Quiz questions featured in the December edition of the Real Estate Newsletter. No payment is required.
- The winner will be the entrant whom we judge to have answered most questions correctly. In the case of a tie the winner will be drawn at random on 8 January 2017 from those tying.
- The competition will open on 9 December 2016 and will close at 4pm on 23 December 2016.
- The prize is an Apple iPad Air 2 32 GB or a close substitute selected by the Promoter. iPad is a registered trademark of Apple PLC. This promotion is not conducted in association with or endorsed by Apple. No alternative to that prize will be offered.
- Entries not submitted in accordance with these rules, or entries which are delayed, duplicated, incomplete, and illegible or lost through technical problems will be disqualified.
- The winner will be notified by email using the contact details provided within 10 working days of the close of the competition.
- The prize winner agrees to take part in publicity in connection with the competition.
- The name of winner will be available by emailing Cambridge & Counties Bank, Charnwood Court, 5B New Walk, Leicester LE1 6TE for the attention of kalpa.patel@ccbanc.co.uk.
- The promoter is Cambridge & Counties Bank Limited, Charnwood Court, 5B New Walk, Leicester LE1 6TE.
- Employees of Cambridge & Counties Bank and their immediate families may not enter the competition.
- Entrants agree to be bound by these rules.
- The decision of Cambridge & Counties Bank on all matters under these rules is final and binding.