

## Lending Criteria : Development Finance

### Acceptable Schemes

- Permitted development schemes
- Ground up developments of single and multiple units
- Scheme will typically require full planning permission and building regulation sign off
- Where appropriate, NHBC or equivalent will be required
- At the outset, schemes should have full planning consent for residential use upon practical completion of works
- Commercial development schemes will not be considered

### Eligibility

- Only open to experienced / professional / full time developers
- Limited companies / SPVs / offshore SPVs
- Schemes typically must be built using a JCT contract for the main contractor, equivalent

### Applicants – residency

Applicants must be resident in the UK and have permanent leave to remain. EU and Swiss nationals are acceptable. Non-EU/Swiss nationals must have held the permanent right to have lived and worked in the UK for the last 36 months as well as the right to remain. In these cases evidence will be required.

### Security

- First legal charge over the development site
- First / second legal over additional / makeweight residential property considered
- Assignment over main building contract
- Performance Bond from main contractor if appropriate
- Collateral Warranties from the key professionals
- Personal guarantee from the principals will be required
- Charge over the shares of the borrower

### Minimum loan size

£1million

### Maximum loan size

£10million

### Maximum loan term

30 months

### Maximum borrowing ratios

- Up to 75% purchase price (or market value in exception)
- Up to 100% of the development cost
- Up to 100% of interest and associated lenders fees
- Up to 70% LTGDV
- Up to 90% LTC

### Valuation

Schedule of works to be sent to valuer who must provide:

- A valuation and rental details based on current condition
- A valuation on completion of works
- An estimated rental valuation on completion of works

### Fees

Arrangement and exit fees as applicable

### Drawdowns

- Drawing of the 'development' tranche are made in stage payments, paid against invoiced works
- Drawdowns subsequent to the initial advance are always subject to approval / sign off by Castle Trust Bank's independent monitoring surveyor

#### Important information

Your property may be repossessed if you do not keep up repayments on a mortgage or any other debt secured on it. Loans are subject to status, terms and conditions. This website is for information purposes only. If you are in any doubt regarding suitability of our products please seek advice from an accredited independent mortgage adviser.