

Lending Criteria : Development Finance

Acceptable Schemes

- Residential only
- Permitted development schemes
- Ground up developments of multiple units (we will not consider single unit schemes)
- Scheme will require full planning permission
- Where appropriate, NHBC or equivalent will be required
- Commercial development schemes will not be considered

Eligibility

- Only open to experienced / professional / full time developers
- Limited companies / SPVs
- Schemes typically must be built using a JCT contract for the main contractor or construction management with appropriate experience

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
- 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

Margin/Fees

Interest margin and arrangement and exit fees as applicable

Drawdowns

- Drawings 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.