

Pre-Planning Finance



UK Development Finance
www.ukdevelopmentfinance-broker.co.uk

What is it?

A financial product allowing you to raise capital to purchase land which are yet to obtain granted planning permission to build on. This offers the flexibility to secure land/property with the potential to re-develop or develop new dwellings. This form of finance is also known as a 'Holding loan'.

What to expect...

- Typical maximum loan to value of 65% of the land/property value
- Lending term of up to 18 months
- No early repayment penalty charges
- Lending rates range from 0.95% to 1.25% depending on;
 - Project value
 - Project risk
 - Project value
 - Builder/Developer Experience
 - Builder/Developer Collateral i.e. other assets
 - The type of planning application being submitted/changed
- Typical lenders fees are 2%-3% of the net loan advance
 - Other fees may include;
 - Valuation fees
 - Legal fees (Yours and the lenders fees)

Other things to consider....

Exit Strategies	Primarily the main strategy is re-finance onto a development finance product	Sale of land/property with planning consent granted	Use of cash of sell of other assets
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Risks & Fees	Cash Liquidity should be considered for any potential issues arising from your planning application to cover change to plans but also the time extension to your finance if it goes beyond the agreed term	Consider your professional fees including valuation fees, Insurance and legal fees for both the finance product and the planning application	Always factor in the interest accumulation on the finance arrangement when calculating your overall costs and the impact on your profit margins
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Timing	Are you confident the planning application will be approved and within the lending term offered by the finance lender?	Have you covered all eventualities with your architect and spoken with a town planner to ensure your development plans will meet the requirements for sign off?	Have you allowed for enough time for other projects to be completed before you can start work once planning consent is granted and funding is ready for you to commence your development?
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Contact Details

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