

## Lending Criteria: Development Finance

- Scheme will require full planning consent for its specified use by the time the initial advance is drawn.
- Residential and commercial schemes will be considered.
- In addition to a valuation, The Route – Finance will request an Initial Appraisal Report to be drafted by the Monitoring Surveyor prior to drawdown.
- An equity contribution from the client is preferred, but Borrower's equity contribution can be minimised if a Personal Guarantee and/or makeweight security is available.
- Complex cases can be considered.
- Developments should be built under a JCT or an equivalent standard form contract for the main contractor

### Acceptable schemes

- Ground up development of single and multiple units.
- Permitted development schemes.
- Heavy refurbishment.
- Commercial to residential conversions, barn conversions, church conversions.

### Applicants

- Limited companies based in England, Scotland, Northern Ireland or Wales.
- Offshore entities can be considered.
- Newly incorporated SPVs are acceptable.
- Directors with adverse credit can be considered.

### Eligibility

- Experienced/professional developers are preferred.
- However, inexperienced developers can be considered.
- Schemes can be based in England, Scotland, Northern Ireland or Wales.

### Drawdowns

- Drawdowns are usually made monthly, in arrears. However, more or less frequent drawdowns are acceptable.
- Any drawdowns that are for construction will be subject to approval by the monitoring surveyor appointed by The Route – Finance.

### Maximum loan size

- Up to £20,000,000.

### Minimum loan size

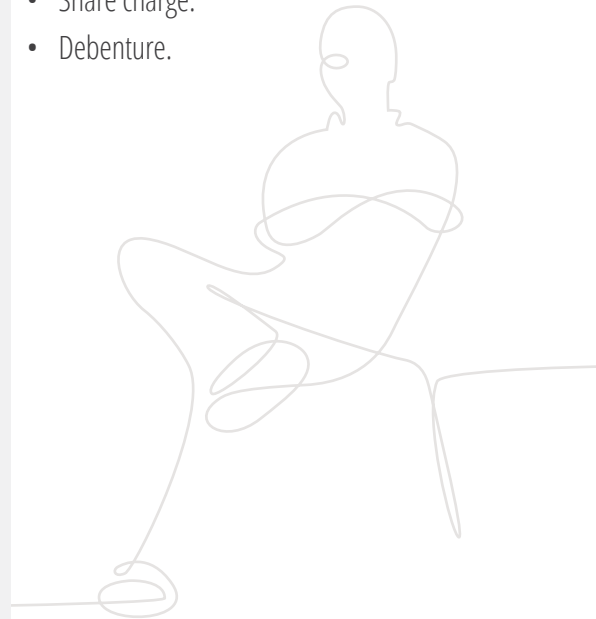
- £1,000,000.

### Borrowing ratios

- Up to 100% of total costs can be provided.
- Maximum Loan to GDV of up to 75%.
- Loan to GDV can be increased up to 80% by way of an additional second charge/mezzanine loan.
- Interest is calculated daily, compounded annually and rolled up until the end of the loan term.
- Up to 100% of the purchase price of the property can be advanced as an initial tranche.

### Security

- First charge against the development site.
- First or second charge against additional or makeweight security can be considered.
- Personal Guarantee from the directors and/or principal shareholders.
- Collateral warranties from relevant professionals.
- Share charge.
- Debenture.



### Important information

Loans are subject to status, satisfactory underwriting, terms and conditions. The borrower must repay the loan by the end of the term. If the borrower has not repaid the loan by the end of its term and either does not have sufficient cash reserves or is not able to arrange another loan, then they may need to sell their property. Property may be repossessed if the loan is not paid when due. This communication is for intermediaries only. This information has not been approved for use with retail customers and is not intended for public or customer use.

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