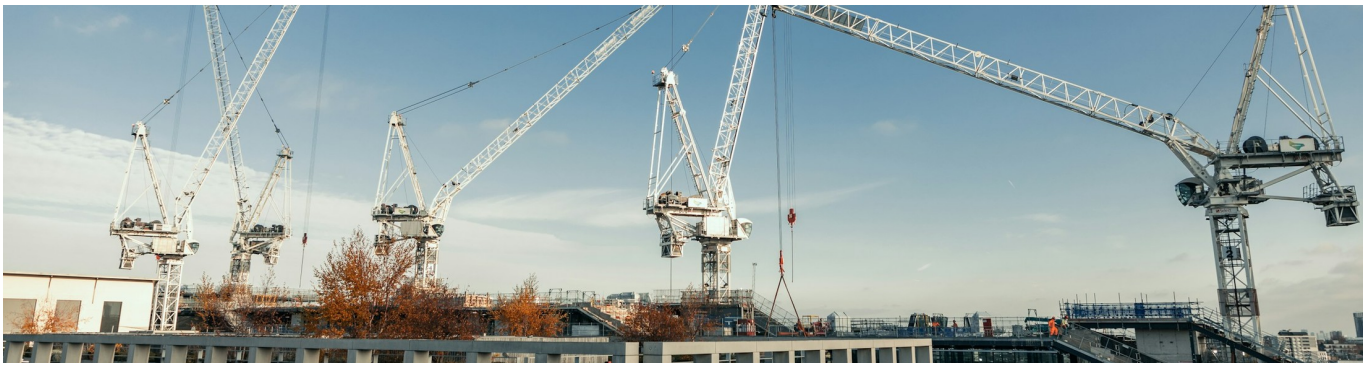
Property Development Finance

The appraisal needs to work before the first brick is laid.



Development finance is about land, cost, timing, delivery and the finished asset, not just the finished value.

01 Build the appraisal from evidence

- Confirm acquisition costs, planning status, build costs, professional fees, infrastructure, contingency, finance and sales expenses.
- Use a defensible gross development value supported by comparable completed sales, not simply asking prices.
- Calculate the scheme's profit after all costs, not before the finance bill.

02 Understand loan mechanics

- Distinguish loan-to-cost from loan-to-gross-development-value, and ask which costs the lender counts.
- Check equity required at the start, staged drawdowns, monitoring fees and interest treatment.
- Ask whether cost overruns must be funded from the developer's own money before further advances.

03 Protect the completion and exit

- Confirm planning conditions, building warranties, utilities, access rights and infrastructure obligations.
- Have a credible sales timetable or development-exit/refinance strategy.
- Stress-test sales prices, contractor delays and interest costs before signing contracts.

THE NUMBERS | ILLUSTRATION ONLY

Illustration: a scheme worth £1.8m on completion against £1.45m all-in costs leaves £350,000 before any omitted taxes, overruns or sales discounts. A 10% fall in sales value removes £180,000.

The mistake to avoid

The cheapest development loan is not necessarily the one with the lowest headline rate if its drawdown conditions cause cash-flow pressure.

Documents worth preparing

Planning decision; land title; contractor pricing; cost plan; programme; comparable sales; professional team details.

DISCUSS A DEAL

Send the property, borrowing requirement and your timescale to deal@wefinanceuk.com, or call 020 3917 2651.

Email

deal@wefinanceuk.com

Phone

020 3917 2651

WhatsApp

+44 7417 318414

London | Head Office

ER76, The Link Business Centre
49 Effra Road, London SW2 1BZ

Wales Office

Sophia House, 28 Cathedral Road
Cardiff CF11 9LJ

Scotland Office

Westpoint, 4 Redheughs Rigg
South Gyle, Edinburgh EH12 9DQ

NACFB
HELPING FUND UK BUSINESS

FIBA | Member

Important information

Your home may be repossessed if you do not keep up repayments on your mortgage. The Financial Conduct Authority does not regulate most buy-to-let mortgages. Bridging finance is typically a short-term, higher-cost form of borrowing and carries risks, particularly if the planned exit strategy is not achieved. A clear repayment strategy should be in place before entering into any agreement. Commercial bridging finance is not regulated by the Financial Conduct Authority.

WeFinance UK is a trading style of Roxton Wealth Ltd, an Appointed Representative of Rosemount Financial Solutions (IFA) Limited, authorised and regulated by the Financial Conduct Authority (FRN 535515). Roxton Wealth Ltd is entered on the Financial Services Register (FRN 1033240). Rosemount Financial Solutions (IFA) Limited is an authorised credit broker, not a lender. We work with an unrestricted number of lenders to find suitable finance arrangements. We will receive lender commission, calculated as a fixed fee, fixed rate or percentage of borrowing. Full commission details will be disclosed during your customer journey. Roxton Wealth Ltd | Company No. 16335726 | ICO: ZB900326 | Registered Address: ER76, The Link Business Centre, 49 Effra Road, London SW2 1BZ. This document is intended for UK consumers and is subject to the UK regulatory regime.