

JULY 2022

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# Document Checklist

The most popular documents that a lender will request



AMPLO

Commercial Finance

# OVERVIEW

Development finance is a type of funding used in property to finance building conversions, heavy refurbishments and construction. This type of finance is usually set up as a short-term loan to fund the build of the project.

Once the project is completed, the loan is usually repaid through the sale of the property or by a refinance.

## **What type of development can finance be used for?**

You can use development finance for a range of different projects. Some examples as follows however, are not limited to:

- New builds
- Conversions
- Refurbishment
- Residential Property
- Mixed use
- Commercial Property
- Single and Multiple Property



# DOCUMENTS

Lenders will ask for a number of documents when you're applying for Development Finance. The more documents and evidence that you supply, the higher the chances are that you will be accepted.

The lender will have a good understanding of your project and at the same time, learn more about the person that they're lending too.

## Overview of Project

The lenders would want to see information about your project and what your plans are. Whether it be converting a house into a HMO, new builds of residential or commercial properties or a refurbishment, they would need to know what your proposed project is.

## Schedule of Work & Specification

The schedule of work is a document that lists the work required on a project. The schedule will detail what work is going to be undertaken, estimated timescales and the progress of the project.

The schedule and specification are both a vital part to the application as it gives the lender an insight to the level of works you are going to complete on the project. It also, gives the lender an insight to costings and how that matches up to their schedule. Lenders like to see that they can pick the project up based on your timeframes and costings if you as the borrower are unable to complete the project and the lender needs to step in.

"Scott and the team have recently sourced bridging finance for me. I was always kept in the loop with what was happening and they really did go above and beyond for me. Scott was always available for a phone call for advice and contacts for insurance policies etc.

Highly recommended and will definitely be using Scott and the team again, in fact we're already using them for a separate mortgage application! Thanks for everything!"

Glen Murihead - Google Review



# DOCUMENTS

## Exit Strategy

The exit strategy is very important to provide to the lenders as in their eyes, this is how you are going to be paying the finance back. There is a number of different options for an exit strategy such as selling the property, mortgage, and renting the property out.

They also like to see the different exit strategy options that you have planned in the event that plan A doesn't work out, what is plan B & C?

## Purchase Price

This is how much you have brought the property or land for. The lender will want to see this so they know much you have spent.

## Development Cost

This is how much you think the development of your project will cost. The lender will want to see evidence of how you got to your total costs.

## Gross Development Value

The gross development value is an important number – this is your estimated end value and typically development finance loans are based upon the estimated end value. This also, gives you and the lender an insight to the level of profit that can be made.



# DOCUMENTS

## Previous Experience

A lender would like to see if you have any previous experience as the more experienced that you have, you're seen less as a risk.

However if you have little or no experience, don't be put off applying for development finance as we work with lenders who do still accept.

Pulling together a developer CV will help the lender understand what type of projects you have experience with. If you have no past experience it's recommended that you provide as much information on your development team (QS, builder, architect, project manager, etc.)

## Asset and Liability Form

An asset and liability form gives the lender insight into what assets you have. The lender will learn more about who they are lending to and how much experience they have.

### Examples of assets:

- Cash
- Investments
- Inventory
- Office equipment
- Machinery
- Real estate
- Company owned vehicles

### Examples of liabilities

- Bank debt
- Mortgage debt
- Money owed to suppliers
- Wages owed
- Taxes owed

"I can highly recommend Matthew for any commercial finance requirements. I have recently had 2 clients in need of finance to aid the growth of their businesses. I recommended Matt and passed his details to them and from the beginning Matt instantly contacted them, took their details and managed to get lenders lined up within the next few days. Matt was very professional and timely and managed to source the finance both of my clients required which will help take their business to the next level. From beginning to end a very professional service has been provided and would not hesitate to use Matthew from Amplo Finance again."

Maisy Owen - Google Review



# FAQ'S



## **Can I get development finance as a first time buyer?**

Yes. Although many lenders will only look to work with experienced developers, we have some lenders who will look at those wanting to take their first steps in the industry.

## **Can I get finance if I don't have planning permission?**

If your project is still awaiting planning permission, or you are varying the existing planning, we have lenders who are happy to process.

In the case that there is no planning in place, we'll try and find you finance to fund you through planning. It may come in the form of a bridge instead of development funding.

## **What costs are involved?**

Costs involved with development finance are interest, arrangement fees, exit fees, valuation fees, quantity survey fees and drawdown fees.

## **How long does it take?**

Once we have all the information we need, you will receive an indicative offer within 72 hours. From that point, it will need to pass credit and underwriting. Typical time frames start to finish can be 3-8+ weeks.





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Don't hesitate to get in touch with our team for a no-obligation discussion

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