

# Development Finance Product Guide

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Please consider the  
environment before  
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**For Intermediaries Only**

# Development Finance Product Guide

Development products available for FCA regulated and non-FCA regulated loans

	Development Exit	Light Development	Professional Development	Self Build (Home Owner) Development
Max LTV	65% if works complete or 60% of value + 100% of outstanding costs	60% of purchase price / value + 100% of build costs	50% of purchase price / value + 100% of build costs	50% of purchase price / value + 100% of build costs
Max LTGDV	70% for single unit / 65% for multi-units			
Min Loan Amount	£100,000	£100,000	£150,000	£150,000
Max Loan Amount	£2,000,000	£1,500,000	£2,000,000	£1,000,000
Monthly Rate	0.99% if works complete 1.09% if works remaining	1.09%	1.14%	1.19%
Interest	Rolled up (regulated) / Retained (unregulated)		Retained	Rolled Up
Product Fee	2% of facility amount			
Exit Route	All exits considered			
Examples	Repaying outstanding development loan and completing works to property that has no more than 10% of the original build costs left to complete with no structural work remaining	Change of use to residential / increase number of units (eg house converted to flats) / extension over 33% of current sqft / max 4 units	Ground up development / max 4 houses / max 8 flats / barn conversion / conversion of house to more than 4 flats	Inexperienced borrower with reputable contractor building property as borrowers main residence
Planning, Building Regulations & Warranty	Planning must be in place Satisfactory building regulation and build warranty inspections to be confirmed		Planning must be in place Building regulation approval required Build warranty to be in place if applicable	
Drawdowns	Agreed on a case-by-case basis		Agreed upfront based on a set drawdown schedule	
Valuation Requirements	Valuation report Monitoring surveyor required on a case-by-case basis		Valuation report Monitoring surveyor visits required	
Experience	Experienced borrower or experienced contractor to be in place		Experienced borrower	Experienced and reputable builder on FPC in place

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Key Criteria	
<b>Location</b>	England, Wales and mainland Scotland
<b>Property Type</b>	Residential development only
<b>Loan Amount</b>	Minimum and maximum figures are based on net loan excluding fees and interest. Day 1 LTV is based on net loan amount, the facility amount is used in calculating the LTGDV
<b>Land</b>	Land with full planning for residential development in England and Wales only will be considered on a referral basis
<b>Corporate Borrowers</b>	UK registered companies allowed subject to Personal Guarantees from majority shareholders and a debenture. Companies incorporated in the Channel Islands, Switzerland or the British Virgin Islands will be considered subject to the Personal Guarantors being UK passport holders resident in the UK
<b>Residency</b>	Acceptable passport holders who are resident in the UK with indefinite leave to remain. Acceptable passports include EU countries, the Channel Islands, Switzerland, USA, Canada, Australia or New Zealand
<b>Age Limits</b>	Minimum age 18, maximum age 85 on completion. Masthaven may insist on independent legal advice in some cases
<b>Planning etc</b>	Planning permission must be in place with evidence of building regulations and build warranty as applicable. Evidence of appropriate insurance will also be required
<b>Development Exit</b>	Where works are complete we will require evidence that new build guarantee and building regulations certificates are in place and that the property is fit for occupation

Key Criteria	
<b>Product Fee</b>	2% of the Facility Amount subject to a minimum fee of £2,000
<b>Broker Fees</b>	Masthaven may deduct an additional broker fee from the advance and pay it to the broker. All broker fees must be stated on the offer letter
<b>Valuation and Monitoring Surveyor Fees</b>	Valuation and monitoring surveyor fees are payable directly to the valuer panel arranging access to the property. An indicative quote is provided upfront but is subject to valuer availability
<b>Legal Fees</b>	Legal fees must be paid or a solicitors undertaking received for the legal work on a case to commence unless it has been agreed they can be added to the loan. In the event of a case aborting, any legal fee refund will be after deduction of both internal and external legal plus administrative costs
<b>Solicitors</b>	Where borrowers require a solicitor to represent them they must be registered with Law Society and must have a minimum of two SRA-regulated principles
<b>Term</b>	Terms available up to 12 months (regulated) and 18 months (unregulated) subject to a minimum one month interest payable
<b>Early Redemption Fee</b>	None