



news

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WELCOME

This winter edition of CDPF news comes with our best wishes for a prosperous New Year.

“How can I finance a site purchase if it does not have planning consent?”



Developers will know that banks generally will not finance property to be purchased for redevelopment if there is no viable planning consent. The reason for this is that most banks do not like uncertainty.

For developers, sites without consent can be opportunities not to be missed. They can often be bought more cheaply than those with planning permission because the developer is taking some risk on the planning.

In recent months, on behalf of a

client, CDPF has arranged funding for the purchase of a redundant pub in Sussex. The local authority had indicated that they may allow a change of use to residential but there was no planning permission in place. The vendor insisted on an unconditional sale contract. CDPF introduced the developer to a major bank who financed 60% of the purchase price at 2% over base rate. The developer has applied for planning consent to convert the pub to flats.

CASE STUDY ONE

Loan Type:

Residential development finance with mezzanine funding. Wiltshire.

Borrower:

Newly formed company

Security:

Site with outline planning permission for 3 houses.

Loan:

£569,000

Bank Arrangement Fee:

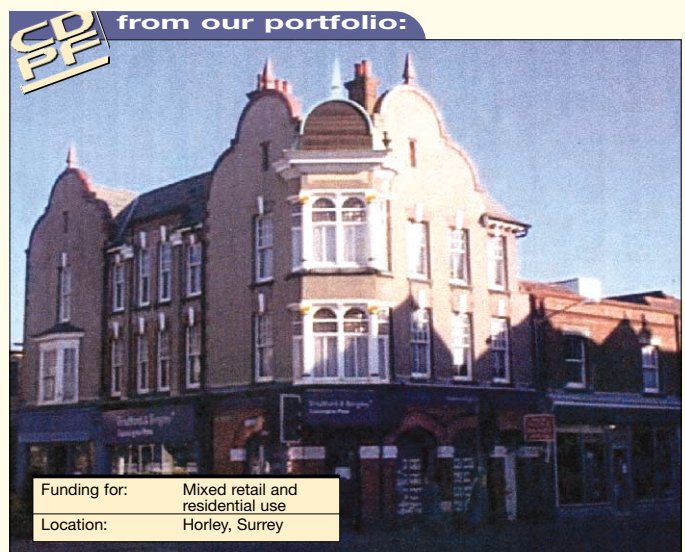
1%

Interest Rate:

4.50% over base rate.

Details:

This was a first new build scheme for the developer. CDPF persuaded a senior debt lender and a mezzanine funder to recognize their potential. Between them the two funders supplied 90% of the total costs of the proposed scheme.



Funding for:	Mixed retail and residential use
Location:	Horley, Surrey

Latest News - STOP PRESS!

The Funding Market - By the end of 2002 there were definite signs that the top end of the residential market in London and the south east had slowed significantly. However, many property lenders are still keen to maintain and increase their loan books in this sector. The right scheme in the right location will always generate competition amongst the banks to lend. Call CDPF for a chat about the financing of your next scheme.

CASE STUDY TWO

Loan Type:

100% Residential development finance. Surrey

Borrower:

Experienced NHBC registered developer.

Security:

Site with detailed planning permission for three houses.

Finance:

£1,450,000

Details:

The developer had committed his own funds to another site but the opportunity arose to acquire and develop a further one.

CDPF was able to arrange finance for 100% of all costs with a major investor who will participate in the profits from the scheme.

CASE STUDY THREE

Loan Type:

Residential development finance. Buckinghamshire

Borrower:

Experienced NHBC registered developer.

Security:

Site with detailed planning permission for a single house.

Loan:

£300,000

Bank Arrangement Fee:

1%

Interest Rate:

2.50% over base rate.

Details:

A straightforward development loan for an existing client using a lender that has a reputation for quick decision making and competitive loan pricing.

CASE STUDY FOUR

Loan Type:

Residential development finance with mezzanine.

Surrey.

Borrower:

Experienced NHBC registered developer.

Security:

Site with detailed planning permission for three houses.

Loan:

£500,000.

Bank Arrangement Fee:

1%

Interest Rate:

4.50% over base rate.

Details:

Recognising that the developer had a limited amount of own funds, CDPF organised for an investor to top up the 70% bank finance to 90% of overall cost.



Some Other Recent Deals

£600,000 -
conversion of
two redundant
farm buildings -
Wiltshire

£1,175,000 -
new build - single
luxury house -
Surrey