



Sample Loan Application



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Requirement

An 18-month facility of £1,975,000 plus interest is sought to enable the Borrower to acquire a site in 10 Kings Road, York, YO1 1ET and undertake the development of 4 new houses with a total of 6000 sq ft. GDV £3.5m

Day 1 Gross loan	£ 800,000
Construction Loan	£1,075,000
Prof fees	£ 100,000

Detailed planning in place at the time of completion.

The build will be undertaken by the Borrower using sub-contractors known to the Borrower with an expected budget of £1,075,000 or £180 per sq ft (including contingency) plus professional fees.

Repayment will come from sale of units.

The loan represents 65% of GDV and 90% of costs.

There will be cash equity of £300,000 in the transaction.



Case Overview

Ownership

How will you own the new development?

UK Limited Company

Has the company or pension been formed yet?

Yes

What is the Name of the UK Limited Company?

Globe Results Limited

UK Limited Company Number

12322370

Site Details

Address

10 Kings Road, York, YO1 1ET

Will you have planning permission before or on completion of this loan?

Detailed Planning

Do you own the property?

No

Purchase process

Regular Purchase

Planning

Who was responsible for gaining the planning?

Borrower

Please provide any further information on the planning permission & process

We purchased the site with outline planning 6 months ago, with a bridging loan. We have now dealt with all reserved matters, and have detailed planning permission for 26x 3 & 4 bed houses.

Tell us about how the site will look when the loan completes?

The site will be bare land at completion.

Build procurement

Please tell us about your build procurement

Self-managed procurement (borrowers will manage the individual trade packages)

Please provide us with more information about your chosen procurement method?

We are managing the build ourselves and will tender the individual packages. We have worked this way on 3x previous personal projects. Prior to that one of our shareholders worked as a PM for 10 years at a regional house builder, managing projects of up to 150 houses.

Deposit source

Please tell us what percentage of the total deposit is planned to come directly from the borrowers / named shareholders and how that money is being raised?

50% of the deposit will come from the shareholders and 50% will come from investors. The investors are family and friends and their investment will be secured as a 2nd charge.

Exit strategy

How do you plan to repay the development loan?

Part Sale & Part-Refinance

Completion



Do you have a set completion date for the initial loan?

Yes

Confirmed completion date

02-05-2022

Mezzanine

If mezzanine finance is available for your project, would you like to get quotes?

No

Preferences

Biggest loan Yes - 1

Best pricing Yes - 2

Speed of completion Yes - 4

Great customer service Yes - 3

Existing relationships

Please list the names of any lenders below that you do not wish to be approached to fund this project.

Paragon Bank

Further information

Is there anything else you wish to disclose at this time, positive or negative, that a lender

should know before they bid on your project?

No

Shareholders

John Doe

Email Address: john@doe.com

Ownership Percentage: 100%



Developer Profile

How will you own the new development?

UK Limited Company

Are there any lenders that you don't want Brickflow to talk to?

Paragon Bank

Has the company or pension been formed yet?

Yes

Company, pension or partnership name: Globe Results Limited

Company or partnership number: 12322370

Partner Information

Number of partners: 1

Name: John Doe

Email Address: john@doe.com

Date of Birth: 1975-09-02

National Insurance No. WK734588A

Ownership Percentage: 100%

Address: 32 Brookside Road, Istead Rise, Gravesend DA13 9JJ

Years at this address : 2

If less than 3 years , previous address:-

3 Farley Road, Gravesend DA12 2LT

Has the Applicant Developed Property Before? Yes

Shareholder Experience: John Doe

How Many Years has John been a Developer?	15
Number of Developments John has Completed as an Owner	7
Number of Residential Projects	7
Number of Commercial Projects	0
Years of Experience as an Architect	0
Years of Experience as a Builder	0
Years of Experience as a Carpenter	0
Years of Experience as an Electrician	0
Years of Experience as an Estate Agency	0
Years of Experience as a Planner	0
Years of Experience as a Project Manager	10
Years of Experience as a Property Surveyor	0
Years of Experience as a Quantity Surveyor	0
Years of Experience as a Structural Engineer	0
Skills	-
Professional Qualifications	BA / BSc



PERSONAL AND BUSINESS FINANCIAL HISTORY

Please ensure that all information provided is accurate as the Lender will perform thorough due diligence on your personal financial position and any business interests. It is therefore imperative that you declare any financial issues with any businesses you are or have been associated with.

Have you or your business ever :-	YES	NO
Had an application for credit or mortgage refused on the properties being offered as security, or any other property		
Had a current or historical conviction for any criminal offence, fraud or other financial irregularity (other than a driving offence) or been banned from being a company director		
Been declared bankrupt or entered into an Individual Voluntary Arrangement (IVA) or Company Voluntary Arrangement (CVA)		
Had a County Court Judgement (CCJ) for debt registered against you		
Failed to keep up repayments on a mortgage, credit card or financial agreement in the last 36 months		
Had a property repossessed or been an officer of a company in which a receiver or liquidator has been appointed		
Had a lender exercise step in rights		
Been sanctioned by the United Nations, EU, USA, or UK HM Treasury?		
Been related to a Senior Public Official or a Politically Exposed Person? (Defined as a high-profile role in the government, such as heads of state, ministers, deputies, members of parliament, ambassadors, senior diplomats, and senior officials of the military)		
Made a claim for Government/DSS benefits in the last 12 months		

If your answers to any of the above questions are yes, please provide further details.



Developer Profile continued: Previous Developments

Development 1	
Were you One of the Owners or an Employee?	Owner
Development Type	None
Address Line 1	32 Brookside Road
Address Line 2	Istead Rise
Address Line 3	Gravesend
Address Line 4	Kent
Postcode	DA13 9JJ
Acquisition Date	2016-09-30
Acquisition Costs	£350,000.00
Did you use Developer Finance?	Yes
Development Finance Lender Name	Masthaven
Area Unit	Square Feet
Gross Internal Area sq.m	3000
Build Costs	£350,000.00
Project Time in Months	12
GDV	£900,000.00
Sold on Exit	No
Description of Works	Knock down and rebuild of main residence

Development 2	
Were you One of the Owners or an Employee?	Owner
Development Type	None
Address Line 1	7 Soho Square
Address Line 3	London
Postcode	W1D 3QB
Acquisition Date	2018-02-01
Acquisition Costs	£3,500,000.00
Did you use Developer Finance?	Yes
Development Finance Lender Name	Paragon
Area Unit	Square Meters
Gross Internal Area sq.m	4500
Build Costs	£9,000,000.00
Project Time in Months	24
GDV	£18,000,000.00
Sold on Exit	No
Description of Works	Office to residential conversion on upper floors, and retention of the downstairs commercial - included a basement dig and 2 storey extension.



Development Appraisal

Property

10 Kings Road, York, YO1 1ET

Property Type: Residential

Area

Acquisition Area (sq.ft):

Build Area (sq.ft): 6,000

Sales Area (sq.ft): 6000

Sales Area / GIA (Commercial, sq.ft): 0

Costs

Purchase Costs	
Purchase Price	£1,000,000.00
SDLT	£0.00
Agent Fees	£0.00
Legal Fees	£0.00
Other Fees	£100,000.00
Total Original Purchase Costs	£1,100,000.00
Do you own the property	No

Build Costs	
Build Costs	£1,000,000.00
Contingency	£75,000.00
Professional Costs & Charges	£100,000.00
Total Build Costs	£1,175,000.00

Sales & Costs	
GDV	£3,500,000.00
Marketing Costs	£ 10,000.00
Agent Fees	£ 35,000.00
Legal Fees	£ 10,000.00
Total Sales Costs	£ 55,000.00
NDV	£3,445,000.00

Summary

Purchase Price	£1,000,000.00
Total Build Costs	£1,175,000.00
GDV	£3,500,000.00
Loan Term Requested (months)	18
Build Term (months)	12



Schedule

Houses

Plot Number	Description	Bedrooms	Bathrooms	Area (sq.ft)	Tenure	Sales Price
1	Detached house	4	3	1,800	Freehold	£1,000,000.00
2	Semi-detached house	3	2	1,200	Freehold	£ 750,000.00
3	Semi-detached house	3	2	1,200	Freehold	£ 750,000.00
4	Detached house	4	3	1,800	Freehold	£1,000,000.00
			TOTAL	6,000		£3,500,000.00

GDVs

Commercial GDV	House GDV	Flats GDV	Parking GDV	Total GDV
£0.00	£3,500,000.00	£0.00	£0.00	£3,500,000.00



Planning

Link to planning decision notice or Planning application

<https://publicaccess.tameside.gov.uk/online-applications/simpleSearchResults.do?action=firstPage>

Planning description

We purchased the site with outline planning 6 months ago, with a bridging loan. We have now dealt with all reserved matters, and have detailed planning permission for 4 x 3 & 4 bed houses.



Professional Team

Team Role	Name	Email	Website	Worked With Before	Previous Projects
Architect	Jane Doe	jane@jdarchitects.com	https://janedoearchitects.com	Yes	Worked with them on our project in Soho Square
Main Contractor	JS Build & Design	john@jsdandb.com	https://jsbuildanddesign.com	Yes	Project on Soho Square
Structural Engineer	R Charles	info@rcharles.com	http://www.rcharles.com/	Yes	Project in Soho Square



COMPARABLE PROPERTIES

Example 1

Property Type: 4 bed detached house

URL: https://www.rightmove.co.uk/properties/118409864#/?channel=RES_BUY

Value: £1,100,000.00

Is this a good comparable? Yes

Why is this a good/bad comparable: It is a very similar spec and layout to our property and is in the same side of the road - south-facing

Example 2

Property Type: 4 bed detached house

URL: https://www.rightmove.co.uk/properties/119098043#/?channel=RES_BUY

Value: £1,150,000.00

Is this a good comparable? Yes

Why is this a good/bad comparable: Similar property - different street



Assets and Liabilities – John Doe

Assets

Property Assets	
Residential Properties	
32 Brookside Road	£900,000.00
Buy to let (BTL) Properties	
10 Brookside Road	£850,000.00
95 Flowerhill Way	£600,000.00
Commercial Properties	
1 King Street, York	£2,300,000.00
Overseas Properties	
	£0
TOTAL	£4,650,000.00

Other Assets	
Cash/Deposits	
Savings	£1,000,000.00
Stocks & Shares	
Barclays bank	£450,000.00
Business equipment, vehicles, art, other	
	£0
TOTAL	£1,450,000.00
TOTAL ASSETS	£6,100,000.00

Liabilities

Property Liabilities	
Address	Value
Residential Property Loans	
32 Brookside	£250,000.00
TOTAL	£250,000.00

Other Liabilities	
Leasing, overdraft, other loans	£0.00
TOTAL	£0.00

TOTAL LIABILITIES	£250,000.00
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NET ASSETS	£5,850,000.00
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Outstanding Personal Guarantees

Lender	PG Amount Outstanding	Start Date	Expected End Date
Paragon	£400,000.00	2021-12-01	2023-03-31
Total Outstanding Personal Guarantees	£400,000.00		



Further supporting information

Contact details for site access	Selling agents :- Carter Jonas York office 82 Micklegate York YO1 6LF. 01904 558200
Bank Details - Company	Metro Bank One Southampton Row, London WC1B 5HA Sort Code 23-05-80 Account no. 33742813
Bank Details – Personal	Barclays Bank Enfield Town Sort Code 20-29-77 Account no. 90346139
Solicitor’s details	<ul style="list-style-type: none">• John Nelmes – Fieldfisher solicitors• Riverbank House, 2 Swan Lane, London EC4R 3TT• john.nelmes@fieldfisher.com• 0330460 6885
Accountant’s details	<ul style="list-style-type: none">• Kevin Hayman – King & Taylor Accountants• Joynes House, New Road, Gravesend DA11 0AT• 01474 569777



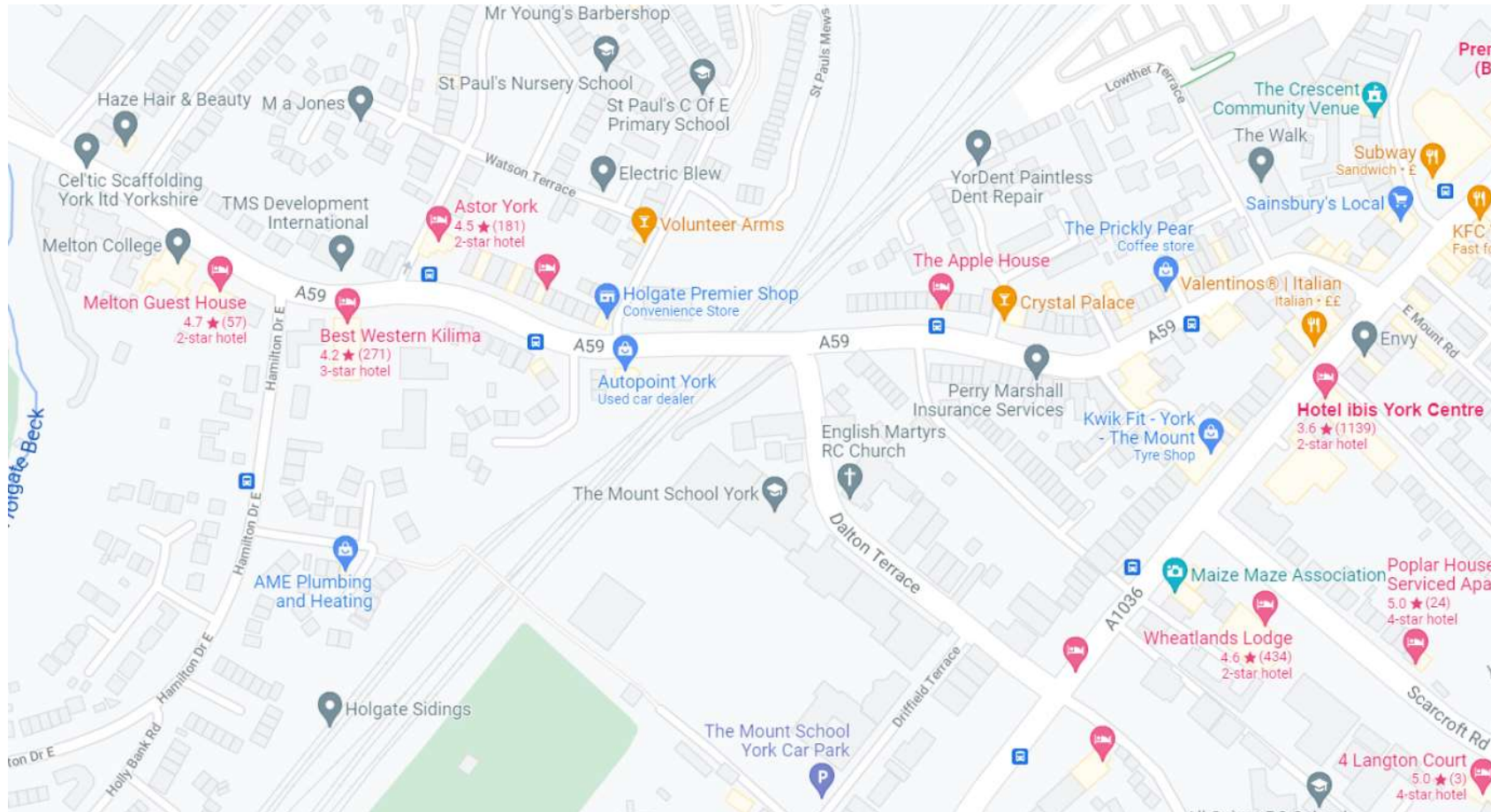
Appendix

Image of Property





Location area of property – Google Maps





For lender to complete

Verdict

Approved

Declined

Approved subject to further information

Remuneration

Pricing is proposed as follow:-

Commitment fee	1.5% (of which 0.5% payable to Brickflow)
Interest rate	6.5% (fixed/above 3m LIBOR)
Exit fee	1% (of loan)

Pre-completion conditions:

- Satisfactory professional valuation
- Independent solicitor to perfect our security
- Sight of appropriate detailed planning consent
- Our satisfaction with the build cost budget, contractor and programme of works
- Satisfactory track record and checks on the Directors & Shareholders
- Satisfactory ground condition and environmental reports
- Confirmation of vacant possession
- Our valuation, QS and legal fees to be for the account of the borrower. Fixed fees to be provided at the outset



Example Conditions subsequent

- Material start on site within 2 months
- Build contract in place within 2 months
- Drawdown of development finance to be against valuation of work in progress by a monitoring surveyor appointed by us
- HA sale to be exchanged by x months on terms satisfactory to us
- Private sales of £m to be exchanged by x months on terms satisfactory to us

Recommended professional panel:-

Valuer:

PMS:

Lawyer: