



## Checklist - Applying for a development loan

### Developer

Knowing the developer's background and experience helps mitigate the borrower risk.

Evidence of property development experience, including details of projects completed to date (E.g., were projects finished on time and within budget? Level of development profit made, etc).

Source of funds used to purchase the property.

Assets and Liabilities statement.

### The development

This information is needed by our underwriters to assess the validity of the real estate project.

Details of full planning permission and/or details of planning application.

Details of the development team.

Main Contractor
Project Manager and/or Employers' agent
Architect
Specialist consultants (E.g., Structural Engineer, Piling Engineer, etc.)

Development appraisal for the project (land costs, build for, sell for and projected profit).

Details of the site where the project will take place, such as current and previous use of the site.

Any specialist reports already undertaken such as Phase 1 and 2 environmental assessments, structural survey, damp & timber report, or asbestos survey.

## The construction

It's important to know how the third-party construction services are being procured as this determines whether certain responsibilities lie with the developer or the contractor(s), and what construction security is on offer.

Detailed budget on how the finance will be utilised for the project.

Schedule of works/project timeline.

Details of new build warranties and or proposed certification for the project.

The type of fixed price Joint Contracts Tribunal (JCT contract) to be used.

Collateral warranties on all key members of the Development Team.

## Insurance

The majority of the insurance risk rests with the contractor(s) but this needs to be at correct levels for the scheme and offer maximum protection to the developer and Arbuthnot Specialist Finance Limited.

Professional Indemnity Insurance (PII) from all key members of the development team.

Construction All Risk Policy.

Confirmation on the level of insurance coverage.

## Exit Strategy

Lenders need to fully understand how the Borrower intends to repay the debt and have confidence in the **exit strategy**.

Method of repaying the finance.

Detail of selling agents, if known.

**We reserve the right to amend the information needed at any moment to reflect changes in operating costs and business processes. Supplying requested information, does not necessarily guarantee the success of the application.**