

January 2016

Development Finance Overview

	Hard Cost Based Facility (Full Doc)	Stretched Senior Facility	Private No Pre-Sales (Low Doc)	Mezzanine Finance	Equity Joint Venture
Loan Purpose	Purchase, Refinance & Construction	Purchase, Refinance & Construction	Purchase, Refinance & Construction	Purchase, Refinance & Construction	Purchase, Refinance & Construction
Minimum Loan	\$500,000	\$5,000,000	\$500,000	\$500,000	\$1,000,000
Maximum Loan	N/A	N/A	\$25,000,000	\$50,000,000	\$100,000,000
LVR: Total Development Costs (TDC) Maximum Preferred	85% 80%	90%	90% 80%	100% 90%	100%
LVR: Gross Realisable Value (GRV) Maximum Preferred	70% 65%	75%	75% 65%	85% 75%	85%
Loan Term Interest Only	3 years	2 years	2 years	2 years	N/A
Interest Rate Options	Fixed or Variable	Fixed or Variable	Generally Fixed	Fixed	Profit Share
Minimum Presale/prelease Requirements	Generally as a minimum 50% of loan amount Except in cases where the borrower will retain the completed project and can demonstrate serviceability, ie shopping centres etc	Generally as a minimum 50% of loan amount Except in cases where the borrower will retain the completed project and can demonstrate serviceability, ie shopping centres etc	Generally not required	Generally as a minimum 70% of loan amount Except in cases where the borrower will retain the completed project and can demonstrate serviceability or has a clear exit strategy	Case by Case
Financial Requirements	2 Years tax returns	2 Years tax returns	Generally not required	2 Years tax returns	Case by Case
Acceptable Securities	All property types considered	All property types considered	All property types considered	All property types considered	All property types considered
Acceptable Location	All locations Considered	All locations Considered	All Locations Considered	All Locations Considered	All Locations Considered
Overview	For developers who have presales (or preleases) and are looking for the cheapest rate option	For developers who have presales (or preleases) and are looking for the cheapest rate option	For developers who: <ul style="list-style-type: none"> No Presales Incomplete projects Credit blemishes 	Mezzanine funding is utilised in situations where the borrower requires additional funding beyond the means of traditional senior debt facilities. It is secured via a second mortgage.	For Borrowers who have limited equity or development experience and require a Joint Venture partner to successfully complete the project

Note: the above matrix is based on products sourced from various lenders and as such is a general guide of what is currently available as opposed to a lending matrix. To discuss a specific loan please contact GCC.

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