

1st July 2010

Development Finance Overview

Development Finance Overview		Hard Cost Based Facility (Full Doc)	GRV Based Facility (Lite Doc)	Mezzanine Finance	Equity Joint Venture
Loan Purpose		Purchase, Refinance & Construction	Purchase, Refinance & Construction	Purchase, Refinance & Construction	Purchase, Refinance & Construction
Minimum Loan		\$1,000,000	\$1,000,000	\$500,000	\$1,000,000
Maximum Loan		On application	\$15,000,000	\$20,000,000	\$100,000,000
LVR : Land	Maximum Preferred	70% 60%	70% 60%	85% 80%	100% 90%
LVR: Total Development Costs (TDC)	Maximum Preferred	80% 75%	90% 80%	100% 90%	100%
LVR: Gross Realisable Value (GRV)	Maximum Preferred	70% 65%	70% 65%	85% 75%	85%
Loan Term Interest Only		3 years	2 years	2 years	N/A
Interest Rate Options		Generally Variable	Generally Fixed	Fixed	Profit Share
Minimum Presale/prelease Requirements		Generally 80% 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 100% 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	Generally not required	2 Years tax returns	Case by Case
Acceptable Securities		All property types considered	Residential, Land Subdivisions, Commercial, Industrial, Retail, and Specialised properties	All property types considered	All property types considered
Acceptable Location		All locations Considered	All Locations Considered (more options available for properties located in the Eastern Seaboard)	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 do not have nor want presales	Mezzanine funding is utilised in situations where the borrower requires additional funding beyond the means of traditional senior debt facilities.	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.