

# Stretch development finance

Funding for new build and heavy renovation projects from £250,000 to £5million up to 90% LTC

**“Our stretch finance product means developers can commit less equity to each project.”**

## What is stretch finance?

Development stretch finance provides developers with a means to spread their capital across a greater number of projects or to fund larger projects without a requirement for a separate mezzanine funder. Funds are secured by a first charge on the subject site with a high loan to cost ratio of up to 90% meaning less equity is required from the developer. Up to 100% of costs can be covered in some circumstances with additional security.

## Why use stretch finance?

High street senior lenders often restrict their lending to 60% of costs (i.e. site plus build costs) whereas Saxon Trust can provide a facility of up to £5,000,000 at a ratio of up to 90% of costs (with up to 100% in some instances where additional security is provided). Stretch funding can aid a developer's cash flow and enable more, or larger, projects to be taken on.

Saxon Trust can tailor bespoke stretch funding with a blended rate that will reduce costs whilst still providing the facility necessary to support the development.

## Our stretch finance criteria

- ✔ Property located in UK (excluding Northern Ireland currently)
- ✔ Typical LTGDV up to 75% (higher with additional security)
- ✔ Typical LTC up to 90% (higher with our stretch product)
- ✔ Previous experience of a similar project required
- ✔ Residential and mixed commercial sites
- ✔ First charge security
- ✔ UK residents, UK companies, trusts and certain non-residents considered
- ✔ All credit profiles considered

## What is the process?

### 1. Enquiry

You can enquire by emailing [loans@saxontrust.com](mailto:loans@saxontrust.com) or call **0203 368 6340** and can download our enquiry form on our website at [saxontrust.com/borrow/guides-and-forms](https://saxontrust.com/borrow/guides-and-forms)

### 2. Full Application

We will then review the enquiry and get in touch, usually within 24 – 48 hours to discuss the enquiry and see if we can move to a full application. If so, we'll require a full application form to be completed which can be found on our website.

### 3. Decision in Principle

Our credit committee will then consider the full application and, if satisfied, will issue a Decision in Principle based on the information provided. This is subject to further due diligence, valuation and a QS report.

### 4. Full Credit Review, QS Report and Valuation

The next stage is for us to conduct our full credit review and for you to pay for our QS report and valuation which will allow us to then do our final checks and go through the final credit approval process. As part of this process, we may want to start the legal due diligence process so that doesn't hold things up.

### 5. Legals

Once you have received a final decision to lend, we will instruct one of our panel of law firms to draw up and complete the loan documentation.

### 6. Drawdown

On completion, the funds can be drawn down in accordance with the draw-down schedule. Any future drawdowns will require a QS site visit and report authorising the release of funds.

Tel: **+44 (0)203 368 6340** (Monday - Friday, 9am - 6pm) Email: [loans@saxontrust.com](mailto:loans@saxontrust.com)

### Single point of contact

From project start to finish, you'll have one contact – even if you transition to another loan type.