Development Finance
Product Guide

Released July 2026

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For Intermediaries Only

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Development Finance Product Guide

Development products available for FCA regulated and non-FCA regulated loans

	Heavy Refurbishment	Professional Development	Self Build (Home Owner) Development	Development Exit
Max LTV	70% net of purchase price / 65% net of value + 100% of build costs	50% net of purchase price / value + 100% of build costs	50% net of purchase price / value + 100% of build costs	65% if works complete or 60% of value + 100% of outstanding costs
Max LTGDV	70% for single unit / 65% for multi-units		70%	70% for single unit / 65% for multi-units
Min Loan Amount	£100k	£150k	£150k	£100k
Max Loan Amount	£1.5m	£2m	£1m	£2m
Monthly Rate	0.89% up to 65% LTV† 0.99% up to 70% LTV†	1.09%	1.14%	0.84% if works complete 0.99% if works remaining
Interest	Rolled Up			Rolled up (regulated) / Retained (unregulated)
Examples	Change of use to residential / increase number of units (eg house converted to flats) / extensions over 33% of current sqft / max 4 units	Ground up development / max 4 houses / max 8 flats / barn conversion / conversion of house to more than 4 flats	Home owner building own house to occupy as main residence	Repaying outstanding development loan and completing works to property that has no more than 10% of the original build costs left to complete with no structural work remaining
Planning, Building Regulations & Warranty	Planning must be in place Building regulation approval required Build warranty to be in place if applicable			Planning must be in place Satisfactory building regulation and build warranty inspections to be confirmed
Drawdowns	Agreed upfront based on a set drawdown schedule			
Valuation Requirements	Valuation report Monitoring surveyor visits required			Valuation report Monitoring surveyor required on a case-by-case basis
Experience	Experienced borrower		Experienced and reputable builder with FPC in place	Experienced borrower
Credit Profile	Tier 1 and Tier 2 acceptable. Refer to Credit Profile in Key Criteria			

† Based on day 1 LTV

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Key Criteria	
Location	England, Wales and mainland Scotland
Property Type	Residential development only
Security	First charge required on all products
Loan Amount	Minimum and maximum figures are based on net loan excluding fees and interest. Day 1 LTV is based on net loan amount, the facility amount (net loan plus fees and interest) is used in calculating the LTGDV
Corporate Borrowers	UK registered companies allowed subject to Personal Guarantees from majority shareholders and a debenture. Companies incorporated in the Channel Islands, Switzerland or the British Virgin Islands will be considered subject to the Personal Guarantors being UK passport holders resident in the UK
Credit Profile	Tier 1 - clean credit with no missed mortgage payments, CCJs or defaults within the last 24 months Tier 2 – a total of no more than 2 missed mortgage payments, CCJs or defaults in the last 12 months. CCJs and defaults must be settled Tier 3 – a total of 3 or more missed mortgage payments, CCJs, or defaults in the last 12 months. Borrowers currently in an IVA or DMP Excludes unsecured credit, and CCJs for utilities, mail order and communications up to £500
Residency	Acceptable passport holders who are resident in the UK with indefinite leave to remain. Acceptable passports include EU countries, the Channel Islands, Switzerland, USA, Canada, Australia or New Zealand
Age Limits	Minimum age 18, maximum age 85 on completion. Masthaven may insist on independent legal advice in some cases
Planning etc	Planning permission must be in place with evidence of building regulations and build warranty as applicable. Evidence of appropriate insurance will also be required
Development Exit	Where works are complete we will require evidence that new build guarantee and building regulations certificates are in place and that the property is fit for occupation

Key Criteria	
Product Fee	2% of the Facility Amount subject to a minimum fee of £2,000
Broker Fees	Masthaven may deduct an additional broker fee from the advance and pay it to the broker. All broker fees must be stated on the offer letter
Refurbishment Drawdowns and Monitoring	Where refurbishment loans are being released over drawdowns in arrears, we may require a monitoring surveyor to inspect either upfront or before each drawdown. This will be agreed on a case by case basis and confirmed in the Decision in Principle. The cost of these inspections is to be met by the borrower. Minimum drawdown size is £20,000 or 20% of the build cost, whichever is the greater. Maximum number of drawdowns is five unless otherwise agreed. Drawdowns will be subject to a £395 fee per additional drawdown
Valuation and Monitoring Surveyor Fees	Valuation and monitoring surveyor fees are payable directly to the valuer panel arranging access to the property and/or the monitoring surveyor directly. An indicative quote is provided upfront but is subject to availability
Legal Fees	Legal fees must be paid or a solicitors undertaking received for the legal work on a case to commence unless it has been agreed they can be added to the loan. In the event of a case aborting, any legal fee refund will be after deduction of both internal and external legal plus administrative costs
Solicitors	Where borrowers require a solicitor to represent them they must be registered with Law Society and must have a minimum of three SRA-regulated principles
Term	Terms available up to 12 months (regulated) and 18 months (unregulated) subject to a minimum one month interest payable
Land	Land with full planning for residential development in England and Wales only will be considered on a referral basis
Early Redemption Fee	None

DFPG JUL26 V1.4