



PRIVATE LENDING

HOLDINGS PTY LTD

Lenders Broker

Recently Approved

Security: Vacant Land with DA

Loan: Purchase

Security: 1st & 2nd Mortgage + Caveats

Location: Brisbane Qld

Loan Amt: \$5.46m

LVR: 70%

Int Rate (blended): 12.95%

LMF: 0.2%

Loan Term: 8 months

Client: Established Land Developer

January 2025

Our client was told no-go by a number of lenders and brokers they approached to any LVR higher than 50% for their vacant land purchase. Using a blend of 1st and 2nd mortgages together with caveats, the funders we secured for the client approved amounts of up-to 70% of the contract purchase price!...

The client had land subdivision projects in progress with profits yet to be realised until late in the first quarter of 2025. They had to meet a strict Jan 2025 settlement deadline or risk the vendor cancelling the contract of sale, risk the forfeiture of hundreds of thousands in paid deposit and placing in jeopardy the expected \$4-5m in profits this particular land purchase provides to the directors. The directors couldn't rely on net profits (land sales proceeds) from existing work-in-progress to be available in time for the Jan settlement. Accepting the traditional private lender 50% max on vacant land just wasn't going to work for them on this occasion.

The instructions I received: "secure the highest possible LVR irrespective of rate and fees, prepay holding interest for several months and finance all loan fees into the loan".

Location: Brisbane suburb Queensland.

Circumstances: The purchaser entered into a contract Sept 2024 after completing due-diligence, paid several hundred thousand in non-refundable deposit, settlement a strict mid-Jan 2025, purchase price included the DA, land parcel was nestled within an established suburb, roads were already in place, existing dwelling would be demolished by the purchaser, circa. \$2m as advised by purchasers was required for infrastructure and titles, and 100% of land sales expected to be secured within weeks of settlement.

Client contributions: 30% of the contract price + loan fees + prepaid interest + development expenses.

What I did: Upon being contacted by the purchasers, I immediately arranged a mix of privately funded loans using a private lender for the traditional 50% as a 1st mortgage on vacant land, a second lender for a further 15% using a 2nd mortgage funding line on vacant land and a private investor for the extra 5% using caveats on the directors property. The valuation was instructed to be 'as-is' and was returned at the contract purchase price.

Loans secured: 1st mortgage of \$3.9m, 2nd mortgage of \$1.17m and caveats totaling \$390k.

Outcome successful?: Mission accomplished! Upon receipt of the valuation mid-Dec 2024, the loans were formally approved by our nominated lenders. The parties were on standby to receive their loan agreements. Mid-Jan settlement deadline could now safely be achieved without risk of purchasers forfeiting their deposit or missing out on the advised \$4-5m in profit.