



Recent April Settlement

Security: Dwelling on Vacant Land with DA - 6 Lots

Loan: Purchase & Sub-division

Security: 1st & 2nd Mortgages

Location: Brisbane Qld

Loan Amt's: \$2.5m Purchase & \$3.705m Construction

LVR's: 60% 1st & 80% 2nd

Int Rates: 11.3% 1st & 18.9% 2nd

Loan Term: 8 months

Client: Established Land Developer

PRIVATELENDING

HOLDINGS PTY LTD

Lenders Broker

April 2025

A disappointing property valuation almost cost our clients \$165k in forfeited deposit + \$1m in developer profit!...

Our clients purchased and settled an existing dwelling on a large parcel of land in a prominent Brisbane suburb with DA to subdivide 1 lot into 6 lots. Two to three months after settlement the OP Works will be available and development will commence. Valuation came back after 2 weeks more than \$700k under the contract price! Purchasers were now in serious trouble as they simply didn't have the difference in funds between contract price and valuation.

Their urgent instructions were now to immediately secure an additional lender that was willing to sit behind a private 1st mortgagee, that would exceed traditional private 2nd mortgage LVR's, access available equity from the PPR at the highest possible LVR and accomplish within the 5 day penalty period that Qld offers.

Location: Brisbane suburb Queensland.

Circumstances: Dwelling was tenanted, excellent condition and was to be retained, had DA for 6 lots, 6 month settlement. Max LVR req'd to purchase and develop based on end values. Balance of funds coming from Directors cash. Five new titled lots ready late 2025, 5 to be presold to payout loans. Purchasers are the project managers.

Client contributions: Approx \$850k in cash and \$610k from an equity release was used to fund the deposit, consultants, valuation fees, settlement fees and balance between purchase and net loan amounts from the 2 lenders.

What I did: I arranged a bridging loan to purchase and a land development loan to subdivide the land upon receipt of the OPW. I arranged a second lender that offers up-to 80% LVR and ok to sit behind a private 1st mortgagee's 60% LVR -- and that would accept the same panel valuer that was used by the 1st mortgagee. One of the two Directors offered an equity release on the family home and I accessed the available equity up-to 80% LVR by 2nd mortgage. The wife wasn't a director but was on the title resulting in last minute financial advice, and urgent last minute separate legal advice from a different legal firm etc. We had secured sufficient funds on the day before settlement to proceed.

Loans provided: \$1.44m to settle the purchase of \$3.13m secured by a 1st mortgage at max 60% LVR, \$1.06m to assist with the purchase secured by a 2nd mortgage at max 80% LVR, and an equity release loan on the family home secured by a 2nd mortgage at max 80% with settlement late April 2025. A draw-down construction loan to refinance the bridging loan and the 2nd mortgagee has been approved for \$3.705m.

Outcome successful: The 2 teams at Bransgroves and the 2 legal firms acting for the directors and guarantors settled the purchase just after 5pm on the final day of the penalty period.