REFERENCE

Property Finance Glossary

Plain-English definitions of common property finance terms.

- **LTV (Loan-to-Value)** — the loan as a percentage of the property's value.
- **LTGDV (Loan-to-Gross-Development-Value)** — the loan as a percentage of the scheme's completed value.
- **LTC (Loan-to-Cost)** — the loan as a percentage of total project cost.
- **GDV (Gross Development Value)** — the expected market value of a completed development.
- **Day-one advance** — funds released at completion, before any staged works drawdowns.
- **Retained interest** — interest set aside from the facility at outset rather than paid monthly.
- **Rolled-up interest** — interest added to the loan and repaid at the end of the term.
- **Exit strategy** — how the facility will be repaid (sale, refinance or otherwise).
- **First / second charge** — the ranking of the lender's legal security over the property.
- **Monitoring surveyor** — an independent surveyor who signs off development drawdowns.
- **Arrangement fee** — a fee for putting the facility in place, usually a percentage of the loan.
- **Business-purpose lending** — finance for a business/investment purpose, outside FCA consumer regulation.