Your Guide to Development Finance

Navigate the best deal

New Zealand's Leading Non-Bank Property Lender

Is property development your next move? We can help.

You may be new to property development, but that doesn't mean you have to start from scratch. Our guide will get you up to speed on what you need to know to pull the trigger and make an informed, strategic entry into the property development business.

From definitions to common hurdles and how to move past them, our guide is designed to help you familiarise yourself with the nuances of property development. By the time you've finished reading, you'll have a firmer idea as to how development funding works, from the perspective of both experienced developers and lenders.

As New Zealand's market leading non-bank lender, we know from experience that there's no single path to property development. Our guide is here to show you what's possible from all perspectives.

Contents.

How do I know property development is right for me?	4
Types of Lenders	5
Types of Build Contracts	7
Builder Engagement Models	10
Choosing the Right Legals Entity	13
Quantity Surveyors	16
Pre-sale Requirements	17
Feasibility Studies	19
Core Drivers in Development Lending	22
Building Confidence Through Balance	24
Preparing for success: key steps	25
Risks & Common Pitfalls	27
Information needed for an application	30
ASAP Finance’s process	32
Case Studies	34
Glossary	39

How do I know property development is right for me?

Property development can be one of the most rewarding ventures you'll undertake, but it's not for everyone. From raw or underutilised land to stunning homes that meet the needs of the market, property development is fundamentally about creating and maximising value.

In its simplest form, property development might begin as a small project like subdividing a property or completing a standalone build. But once you move into constructing four or more dwellings on a single site, the rules change, and so does the complexity. Whether it's townhouses or master-planned subdivisions, development finance helps overcome these and provides a clear path to returns on investment.

If you're considering property development, the potential rewards are substantial and enticing. With these possibilities also come high stakes to match. Success isn't guaranteed by a perfect site, although that does help. From understanding zoning to assembling a robust team, the challenges and opportunities which come with property development are best navigated with the help of experienced finance experts.

The team at ASAP Finance is here to help you understand everything you need to know about development finance. Whether this is your first time developing property or you're aiming to scale up, this whitepaper will walk you through the mindset, mechanics, and strategies that the smartest developers use.

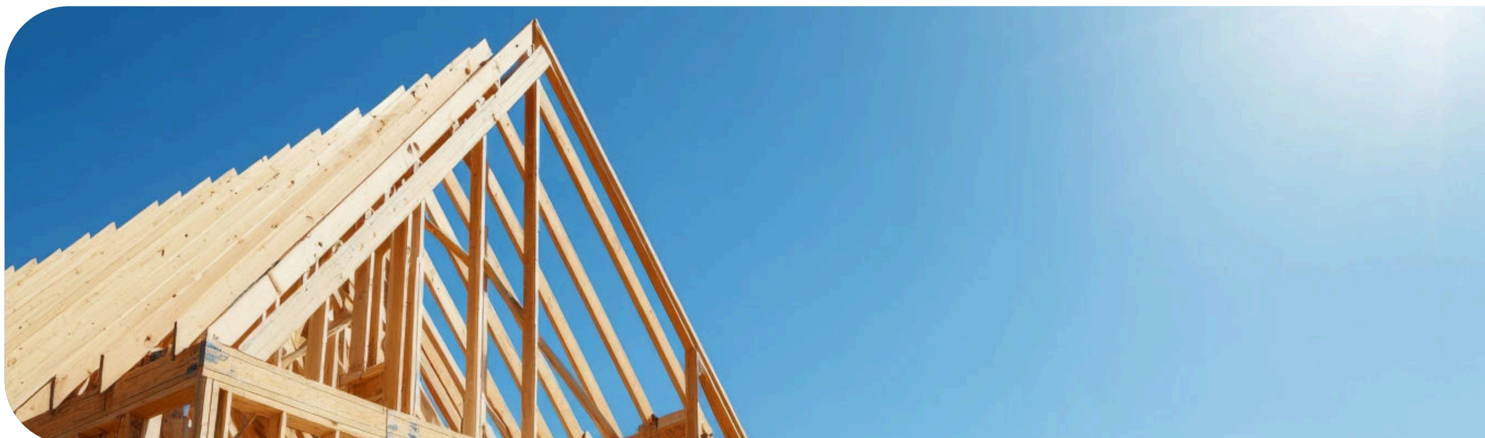
Types of Lenders.

Banks

Traditional banks, including the 'Big 4' of ANZ, BNZ, ASB, Westpac, have long been the norm for development finance in New Zealand. They offer a cost-effective form of funding, often with the lowest interest rates available in the market. However, they sit firmly at the most conservative end of the risk spectrum. Since 2019, regulatory changes introduced by the Reserve Bank have made property development significantly more capital-intensive for banks. As a result, banks have tightened their criteria, often limiting their lending to existing customers with proven development experience.

In practice, working with a bank means navigating stricter documentation requirements and longer approval timelines. Banks typically require developers to contribute 25% to 30% of the total development cost as equity and prefer projects with robust pre-sale coverage – often expecting 70% to 100% of the loan to be secured through pre-sales before funding is approved. Loan-to-cost ratios typically range between 65% and 70%, with loan-to-value ratios on completion rarely exceeding 65% for residential projects, and often lower for retained assets like build-to-rent properties.

Banks are meticulous when it comes to documentation. They generally require fixed-price building contracts (often NZS 3910 or 3916), extensive Quantity Surveyor involvement, and formal monthly drawdown reports. While these measures mitigate risk, they also increase project overheads and slow down access to funding. For experienced developers with time on their side and strong financials, banks can offer excellent value. But for those looking to move quickly, maximise return on equity, self-manage the construction, or fall short on pre-sales, bank funding can present significant hurdles that may result in missed opportunities. In the property development world, time is an invaluable commodity.



Non-bank lenders

Non-bank lenders have emerged as the modern solution for developers seeking speed, flexibility, or a higher gearing capacity. Firms like ASAP Finance fill the gap left by increasingly risk-averse banks, offering funding structures that are purpose-built for development. These lenders assess projects with a different lens. Focusing less on a developer's historical financials, it's the strength, viability, and risk profile of the project itself that lenders will assess.

Non-bank lenders are typically able to fund a greater proportion of total development costs, often up to 80% or 85%, and in certain de-risked scenarios, even approaching 90-95%. On a completed value basis, they may lend up to 70% of the gross realisable value (GRV). What sets non-bank lenders apart is their approach to pre-sales: while banks usually demand pre-sale coverage before funding, non-bank lenders are often comfortable proceeding without it, especially on smaller projects under $5 million or in high-demand suburban areas. This allows developers to break ground sooner, reduce holding costs, and potentially capture more value by selling closer to project completion. Perhaps most importantly, no pre-sale funding avoids what can be months, waiting to achieve your banks pre-sale hurdle. This allows developers to accelerate their development programs, boosting the projects annualised return.

Equity requirements from non-bank lenders are also lower, usually between 15% and 20% of total development costs which also boosts the return on equity and enables developers with limited equity to take on additional projects.

Interest rates typically range from 6% to 13% per annum, with establishment fees between 2% to 3% reflecting the higher risk profile and speed of capital deployment. While these costs may appear higher than traditional funding, they are often offset by faster approvals, reduced bureaucracy, and the ability to activate and progress a site sooner. In practice, this can drive stronger annualised project performance and improve overall returns on equity through earlier value creation and more efficient capital utilisation.

Private Lenders & Mezzanine Finance

For developers facing a shortfall even after securing senior debt, private lenders and mezzanine finance provide additional funding layers designed to close equity gaps and enable projects to proceed. These funding sources sit at the more specialised and expensive end of the lending spectrum, but they offer much-needed flexibility in scenarios where traditional and non-bank options may fall short.

Private lenders are typically high-net-worth individuals or small firms using their own capital. Because they are not governed by institutional policies or strict credit guidelines, they can structure deals around the developer's unique circumstances. However, that flexibility comes Gat a premium – interest rates with private lenders typically start around 10-12% per annum. These lenders are often used when a project is only marginally undercapitalised but still has strong fundamentals.

Mezzanine finance, by contrast, sits behind the senior debt in the capital stack and is secured by a second mortgage. It is commonly used when a developer lacks sufficient equity to meet a senior lender's requirements. In essence, mezzanine funding is a hybrid between debt and equity – providing capital while taking on a higher risk position. This risk is reflected in the cost, with rates typically ranging between 20% and 30% per annum, including fees.

Mezzanine facilities are most suitable for larger projects, generally where at least $500,000 in funding is required. They are used strategically to reduce a developer's upfront capital outlay or to release equity for use in other developments. In some cases, mezzanine finance is combined with senior debt into a single product known as "stretched senior debt." It may also be structured as preferential equity, where the financier shares in the project upside under specific conditions.

While these options are not suited to every deal, they play a critical role in helping developers scale, access capital quickly, or get complex projects across the line. For those with strong experience and viable projects, private and mezzanine funding can provide the final piece of the puzzle in an otherwise constrained capital stack.

ASAP Finance does not provide mezzanine finance directly. However, we maintain access to private capital that can consider and facilitate such positions where the fundamentals, structure, and risk profile are appropriate. This may include joint venture structures where aligned capital and clearly defined roles support the overall feasibility of the transaction.

Types of build contracts.

Construction contracts play a central role in shaping how a development project is funded, managed, and delivered. They establish the responsibilities between the developer and builder, define how risk is shared, and influence a lender's willingness to fund the project. A clear, well-structured contract creates confidence for everyone, helping developers manage costs and lenders determine risk with greater certainty.

While most lender require a formal construction contract to be executed prior to first drawdown, the development landscape has evolved. A growing number of experienced owner builders now self-manage projects without engaging in a head contractor. In those circumstances, a lender may consider funding without a traditional construction contract, subject to experience, equity contribution, contingency and cost to complete analysis.

At ASAP Finance, many of our clients operate within this framework and funding is provided without any formal construction contract in place.

In any case, let's take a look at the most common construction contracts structures used by developers today.

NZS 3910

Among lenders and consultants, the NZS 3910 fixed-price contract is widely regarded as the benchmark for development agreements. It locks in the construction price at the outset, which means the builder is responsible for any cost overruns. This level of price certainty helps funders assess a project's financial stability and supports the feasibility assumptions used in funding applications.

The 3910 format is often favoured by traditional banks because it limits financial surprises and provides a consistent framework for monitoring construction progress. Many of these contracts also include provisions for liquidated damages (compensation payable if deadlines are missed). For both lenders and developers, the structure of the NZS 3910 reduces exposure and helps maintain control over construction risk.

NZS 3916

The NZS 3916 contract provides an alternative structure, particularly suited to design and build projects. It brings the builder into the design phase and allows for an integrated project delivery approach. While it still delivers a fixed-price outcome, the level of builder involvement tends to be higher throughout the development lifecycle.

Lenders may be more cautious when dealing with 3916 contracts, especially if the project team lacks experience with this delivery model. However, when managed by seasoned consultants and contractors, the 3916 can offer efficiencies in time and coordination without compromising cost predictability. Developers who require a streamlined approach to design and construction often find this contract model highly effective.

Master Builders Contracts

Master Builders contracts are among the most commonly used construction agreements in New Zealand, particularly for standalone homes and small multi-unit builds. These contracts are preferred by many builders for their simplicity and familiarity. They're more than suitable for projects where you'll be living in the house being built. But for developers seeking finance, Master Builder contracts can be overly weighted towards the builder's favour.

One of the main issues with standard Master Builders contracts is the payment schedule's structure. These contracts often use milestone payments that are front loaded, meaning large deposits or early-stage payments are requested before a corresponding amount of work has been completed. This benefits the builder by supporting their cash flow, but it exposes the developer and lender to considerable risk. If the builder fails to deliver or exits the project early, the funds already advanced may exceed the value of the completed work, making it difficult to complete the build within the remaining budget.

Another significant concern involves the mortgage clauses found in the standard contract. Clauses 123 to 127 allow the builder to register a mortgage over the development property. This is not acceptable to most funders and these clauses are typically removed as a condition of finance approval. Lenders require a clear first-ranking mortgage position and any competing claims can compromise the loan security.

In addition to revising payment terms and removing mortgage clauses, funders will often ask for further amendments to strengthen the developer's position. These include the addition of clauses for retentions, liquidated damages, and in some cases, performance bonds. These measures provide protection in the event of builder default or project delays and help ensure that contractual obligations are enforced fairly on both sides.

From a lending perspective, drawdowns must align with a cost-to-complete model. This means that funding is released based on the value of work completed, not simply on pre-agreed milestones or deposits. When a developer pays a large sum upfront without any physical progress on site, the project is immediately underfunded by that amount. This gap can create financial strain later in the build and potentially stall the project.

While Master Builders Contracts can be suitable for small, self-funded developments, they are rarely appropriate in their standard form for lender-backed development projects. Developers should seek legal and financial advice before signing to ensure the contract is compatible with the lender's funding criteria.

Builder Engagement Models: Fixed-Price vs Cost-Plus Contracts in Property Development.

Choosing the right builder engagement model is one of the most important decisions a developer will make. It affects the risk profile of the project, funding structure, contract obligations, and the developer's day-to-day involvement. In New Zealand, the two predominant models are the Fixed-Price approach and the Cost-Plus approach. Each has distinct advantages, disadvantages, and suitability depending on the developer's experience, financial goals, and the type of project being undertaken. Understanding these models – and how lenders respond to them – is crucial for structuring a viable and fundable development.

Fixed-Price: A "Shrink-Wrapped" Development Model

The fixed-price approach is often viewed as the turnkey, hands-off solution. Under this model, a lead contractor agrees to deliver the finished product for a set price. The developer pays that price, and the contractor is responsible for managing all the subcontractors, sourcing materials, and keeping the project on time and within budget. From a risk allocation standpoint, this approach shifts much of the delivery risk onto the builder, especially when cost overruns occur.

For newer developers or those taking a passive investment stance, this approach offers comfort and simplicity. You pay a premium for peace of mind – often at a significantly higher cost. The contractor's margin includes buffers for unknowns, administrative overhead, and management. However, price certainty can be a powerful advantage when securing finance. Lenders, particularly banks, appreciate the reduced risk and are more inclined to fund projects backed by robust, well-structured fixed-price contracts.

The most commonly used contracts for fixed-price builds are NZS 3910 and NZS 3916. NZS 3910 is the industry benchmark for horizontal and vertical construction projects, featuring clauses for liquidated damages, retention mechanisms, and independent contract administration. .

NZS 3916 is suited for design-and-build projects, bringing the builder into the design process early while still locking in a final delivery price. These structured contracts are highly preferred by lenders because they offer transparency, consistency, and clearly defined responsibilities.

However, the fixed-price model does come with significant trade-offs. Developers have limited visibility over the internal workings of the project. If the lead contractor collapses or performs poorly, it's difficult for the developer to step in midstream and resolve issues. Additionally, there's often less discipline around subcontractor performance because the builder is fronting the cost and may prioritise relationships or speed over quality. Overreliance on a single contractor creates vulnerability if the project veers off course.

Cost-Plus: A More Involved, Hands-On Approach

The cost-plus approach is ideal for experienced developers who want more control over their budget, procurement, and build quality. Under this model, the builder is paid for actual labour and materials at cost, plus an agreed-upon margin (typically a percentage). This method allows the developer to monitor every expense and retain full transparency throughout the project.

Cost-plus contracts operate on a cost-to-complete basis, which aligns well with lender expectations. Rather than being tied to milestone payments, drawdowns are made as work is completed and costs are verified, ensuring that funding matches actual progress. For developers who are capable of managing – or hiring someone to manage – the moving parts of a build, this model can lead to significant savings and better value for money.

That said, cost-plus models are not for the faint-hearted. The developer assumes much more responsibility and risk. If delays, overruns, or disputes occur, the developer is in the driver's seat and must resolve these issues directly. For this reason, inexperienced developers often engage a project manager to oversee the build process under a cost-plus contract.

Additionally, cost-plus contracts require more robust feasibility planning. Developers need a deep understanding of material pricing, labour requirements, and construction sequencing. Poor oversight can quickly erode potential savings and expose the project to cashflow strain.

Lender Considerations and Contract Acceptability

Regardless of the engagement model chosen, the build contract must satisfy lender requirements. Lenders closely scrutinise payment terms, risk allocation clauses, and the overall contractual balance between the developer and the builder. Master Builders Contracts, which are commonly used in residential and small-scale developments, often raise red flags. These contracts frequently contain milestone payment structures that are front-loaded – advancing significant funds to the builder before a proportional amount of work is completed. They may also include mortgage clauses (like Conditions 123–127), giving the builder the right to register a mortgage on the property. These clauses are unacceptable to most lenders, as they must hold the first-ranking mortgage position on the security property.

Lenders – particularly banks – often require a Quantity Surveyor (QS) to review the build contract to ensure it aligns with cost-to-complete principles. The QS checks for red flags like builder-favourable payment schedules or vague exclusions and helps negotiate key commercial terms, including liquidated damages, retentions, and performance bonds. These mechanisms protect the developer and lender by ensuring the builder is incentivised to finish on time and to spec.

Strategic Recommendations

For first-time developers, a fixed-price model may provide a safer entry point into the world of property development, assuming the premium cost is manageable. It simplifies the funding application and reduces the complexity of construction management. For more experienced operators – or those looking to optimise profit in tighter markets – a cost-plus approach can unlock better margins and greater control, provided there is sufficient expertise to manage it effectively.

Ultimately, the choice between fixed-price and cost-plus should be made based on the project scale, complexity, developer capability, and risk appetite. A well-structured contract that satisfies lender requirements – regardless of the model – is key to unlocking funding and delivering a successful outcome. Developers should seek early legal, financial, and QS advice before committing to any contract type. The right decision at this stage can save tens or hundreds of thousands in costs and delays later on.

Structuring for Success: Choosing the Right Legal Entity for Your Development.

Before breaking ground on a new property development, it's essential to establish the right legal structure. This decision affects liability, tax treatment, financing options, and how risks are managed across projects. While every developer's situation is unique, three main structures are commonly used in New Zealand property development: Special Purpose Vehicles (SPVs), Limited Partnerships, and Trading Trusts. Each structure serves different functions and offers different advantages – particularly around limiting liability and isolating risk.

Special Purpose Vehicles (SPVs): The Standard for Ringfenced Projects

A Special Purpose Vehicle – typically a company formed solely for a specific development – is the most widely used structure in the industry. By isolating the development in its own legal entity, the SPV protects the developer's other assets and projects from risk. If a legal dispute arises or the project underperforms, creditors are limited to the SPV's assets and cannot pursue the developer's broader portfolio.

SPVs also simplify project-specific accounting, tax compliance, and profit distribution. From a lender's perspective, they provide clarity and confidence that the project's finances are contained and traceable. Setting up an SPV is relatively straightforward and cost-effective – requiring only the standard steps for forming a New Zealand limited company.

However, developers should be wary of using the same SPV across multiple projects, particularly when multiple lenders are involved. Granting first ranking security to more than one lender within the same entity is not generally feasible. Most development lenders will require a first ranking General Security Agreement (GSA) over the SPV alongside first mortgage security over the property. Once that position is granted, introducing a second lender creates intercreditor complexities, priority disputes and enforcement risk.

Key benefits:

- Limits liability to the project itself
- Keeps finances clean and project-specific
- Aligns with lender requirements for security and due diligence

Limited Partnerships: Investment with Capped Liability

Limited Partnerships are another common choice, especially when third-party investors are contributing capital to the development. This structure allows a clear distinction between General Partners (typically the developer, who manages the project) and Limited Partners (passive investors whose liability is limited to their financial contribution).

This structure offers flexibility in profit distribution and governance while protecting investors from legal exposure. Limited Partnerships are particularly useful when developers want to bring in funding without giving up control or exposing investors to the day-to-day risks of the build.

Key benefits:

- Liability of Limited Partners is capped
- Flexible profit-sharing arrangements
- Encourages outside investment with lower risk exposure

Trading Trusts: Flexible Yet Complex

Trading Trusts are the third common structure and are typically used by developers with existing trust frameworks or those seeking asset protection and tax flexibility. In a development context, a Trading Trust will usually act through a corporate trustee, which manages the trust's affairs and enters contracts on its behalf.

While trusts can offer certain tax planning advantages and estate planning benefits, they also introduce complexity. Lenders may require additional documentation or guarantees and may be more cautious when dealing with trust structures due to their layered nature.

Key benefits:

- Potential tax and asset protection benefits
- Suitable for developers with existing trust arrangements
- Can be tailored for succession or intergenerational wealth transfer

Regardless of the structure chosen, a key principle in development structuring is ringfencing liability. By ensuring each project is legally separate, developers protect themselves from cross-contamination of risk. If one project encounters difficulties, it won't threaten other developments or assets. This ringfencing also protects funders – allowing them to proceed with confidence that their loan is tied to a discrete, manageable project with clear lines of accountability.

While SPVs, Limited Partnerships, and Trading Trusts are common and well-understood structures, each carries specific implications for tax, legal liability, funding, and asset protection. Developers should always consult with their tax accountant, lawyer, and adviser before finalising the structure for a project. The right legal entity can make financing smoother, reduce risk exposure, and lay the groundwork for long-term success.

Quantity Surveyors.

Quantity Surveyors (QSs) can play a key role in development finance, particularly in bank-funded projects, by independently verifying costs, managing budgets, and certifying progress payments. Their involvement is often a non-negotiable requirement for major lenders, who rely on QS reports to ensure construction is feasible, costs are controlled, and funds are drawn down responsibly.

However, ASAP Finance takes a more pragmatic view. While we recognise the value a QS can bring – especially on complex or high-value projects – in many cases we can proceed without one. Our experienced lending team is equipped to assess risks directly, allowing smaller projects to proceed without the added cost and complexity of QS oversight.

That said, engaging a QS early in the process can still be beneficial–particularly during the planning or design phase. A skilled QS can provide high-level cost estimates and feasibility assessments before significant capital is committed, helping developers understand the financial viability of different design or density options.

They're especially useful for "optioneering"–testing how changes in layout, materials, or scale affect overall costs. Early involvement also allows the QS to review builder quotes for accuracy, assess "tags and clarifications" that often hide additional costs, and ensure budget assumptions align with market reality. Before contracts are signed, a QS can help negotiate commercial terms, highlight contract risks, and confirm the inclusion of key protections like performance bonds, retentions, and liquidated damages. These clauses can make a significant difference in the event of a builder default or delay.

Even if a QS isn't required for loan approval, many developers still choose to engage one to strengthen their funding application, reduce project risk, and maintain tighter control over cost management.

Pre-sale requirements.

Pre-sales, also known as off-plan sales, are a fundamental component of the property development funding process. For lenders, they serve as a form of risk management and provide a clear exit strategy for the repayment of the loan upon completion. For developers, pre-sales can open doors to more favourable funding terms, but only when managed correctly. Understanding how pre-sales work, what makes them acceptable to lenders, and how to structure them properly is essential for any successful development.

G

Pre-sales give lenders certainty. A signed pre-sale contract, backed by a deposit held in trust, provides the lender with a contracted reduction in debt. This helps protect the lender if something goes wrong and also demonstrates that the market has validated the product before construction begins. Buyers committing to a project before it is built shows market acceptance and confidence in the developer, which in turn gives the lender greater comfort in the risk profile of the loan.

For banks, pre-sales are non-negotiable. They require a high level of sales to be locked in before they will release any funding. Most major banks demand full debt coverage (100% pre-sale cover), meaning the total value of net sales must match or exceed the full amount of the loan. In some cases, they may require up to 125 percent coverage to provide a buffer against settlement defaults. This means that for every dollar of debt, the developer must demonstrate at least 70 cents to one dollar in net, GST-exclusive, agent fee-free sales. These strict requirements can create delays in launching the build, particularly in a soft market, as developers scramble to achieve pre-sale targets before they can break ground.

Non-bank lenders, on the other hand, are generally more flexible. For smaller projects, especially those under $5 million in suburban areas with good demand, pre-sales may not be required at all. Instead, non-bank lenders usually look for evidence that the product is aligned with the market–this might include a sample of sales activity, independent valuations, or proof of strong buyer interest. If a developer has already secured around 50 percent of sales, they are typically in a strong position to access non-bank funding. This flexibility allows developers to move faster, reduce holding costs, and sometimes achieve a stronger return on equity by avoiding early-stage discounting.

Traditional Banks

Banks take a conservative, risk-averse approach to development funding, viewing pre-sales as essential security.

- Require significant pre-sales before funding approval, often covering 70% to 100% of the total debt.
- Some banks go further, requiring up to 125% debt cover to protect against settlement defaults.
- Typically will not advance funds until all pre-sale conditions are met and verified.
- Focus on full debt coverage, unconditional contracts, and proof of market demand.
- Pre-sale need to be arms-length, to non-related parties. Pre-sale sold through an agent (where commission is payable) demonstrate this, while private treaty sale will likely face more scrutiny.
- High pre-sale requirements can delay construction starts, particularly in slower markets.

Non-Bank Lenders

Non-bank lenders take a more pragmatic, project-focused view.

- Often no pre-sales required for smaller projects (up to around $5 million) in strong markets.
- For larger projects, lenders typically expect a sample of pre-sales or evidence of market acceptance.
- Comfortable with 50% pre-sale coverage for mid-sized projects, provided the feasibility is sound.
- Prioritise the project's viability, location, and developer experience over rigid pre-sale ratios.
- Greater flexibility allows developers to begin construction sooner, reducing holding costs and improving Return on Equity (ROE).

Product-Market Fit: Aligning Design with Demand

In property development, product-market fit is essential. It refers to how well a development's design, layout, price, and finish align with the needs and expectations of the target buyer. It influences everything from the feasibility of a project to the pace of sales, and ultimately the confidence a lender has in financing it. A project with strong product-market fit is far more likely to succeed – and far less likely to stall due to poor buyer interest or mismatched pricing.

Understanding product-market fit allows developers to make informed decisions at every stage. It helps shape the design and density of dwellings, determine price points, and structure the build to suit buyer expectations. For lenders, product-market fit provides confidence that the project will sell down efficiently. Before any shovel hits the ground, the product must match what the market is willing to pay for – especially if a funding strategy depends on presales or a strong resale position at completion.

Sales Strategy and Pre-Sale Implications

Product-market fit also impacts the pre-sale strategy. If a project is clearly aligned to active buyers in the current market, pre-sales will be easier to secure and more likely to hold through to settlement. On the other hand, selling closer to completion may be the better path for some developers. ASAP Finance supports both approaches and can fund both small and large-scale projects without pre-sales. This gives developers more control over pricing and allows them to capture buyer interest at the right time, but only if the product is positioned for strong market uptake.

The Role of Feasibility Reports in Development Success.

Before a single pile is driven or a builder steps onto site, the real work of development begins – with the numbers. Feasibility is the cornerstone of any successful property development. At its core, a feasibility report determines whether a project is commercially viable, sustainable, and fundable. More than just a budgeting tool, it's a roadmap that helps developers understand risk, secure finance, and avoid costly missteps.

Making Smart Decisions "On the Way In"

This means buying well, designing the right product for the market, and entering the deal with a feasibility margin that accounts for both known costs and the inevitable unknowns. A robust feasibility study provides this confidence. It outlines expected revenue, all development and holding costs, and the profit margin required to justify the risk. Lenders typically want to see a minimum return of 20–25%, with developers often targeting 25–30%+ as a buffer against cost creep or market shifts. The feasibility will also show whether the proposed land purchase price is realistic – if the land is too expensive, the numbers won't work, and the deal should be restructured or walked away from.

What Due Diligence Should Cover

A good feasibility report is built on comprehensive due diligence. Developers must investigate site-specific risks, zoning rules, existing services, and any limitations on density or building height. Geotechnical risks like volcanic rock or poor drainage can introduce serious cost blowouts during in-ground works, so these need to be identified early through site investigations. The consenting pathway is another frequent source of delays; smart developers negotiate long settlements and seek resource consent while the land is still under contract. Equally important is market research –knowing who the product is for (investors, owner-occupiers, downsizers) will shape the design and determine price expectations. All of this informs whether a development is viable and what the risks really are.

What a Lender Looks For

At ASAP Finance, feasibility is critical to making sound lending decisions. While our requirements are less rigid than a bank's, we still expect a clear picture of how the project stacks up. We assess total development cost (TDC), loan-to-cost (LTC) and GGloan-to-value (LVR) ratios, margin, equity contribution, and GST treatment. It's essential that developers get their GST assumptions right - mistakes here are common and can lead to inflated margins that don't reflect reality. Consistency is key. Where GST is applicable, both projected sales revenue and total project costs should be presented on a net-of-GST basis to ensure the feasibility analysis, margin calculation, and LTC metrics are assessed on a like-for-like basis. We also recommend including a project contingency of between 4 to 10% depending on the nature and complexity of the project, noting that most cost over-runs happen in ground during the civil works. A clear breakdown of revenue, construction costs, consultant fees, council charges, finance costs, and contingency will help speed up the approval process.

Structure Beyond Numbers

A feasibility study is ultimately a way to demonstrate you've thought through how that profit will be achieved. We want to see a clearly structured development plan: what's being built, who it's for, how long it will take, and how it will be delivered. That includes a review of the development team, consultants, builder, and the proposed construction methodology. If a builder quote is already secured, it should be reviewed for exclusions or tags. A Quantity Surveyor can add value here, helping to validate assumptions and prevent nasty surprises later. And while we often waive QS involvement for smaller or lower-risk projects, having a professional check your feasibility early on remains a wise move.

ASAP Finance streamlines the development finance process. For indicative terms, we typically only need two core documents: a feasibility/detailed project budget and a set of draft plans. Once we move into full credit approval, we assess the feasibility in depth – reviewing budgets, costings, equity, and how the project is staged. Because we don't require fixed-price build contracts or full financial disclosure, developers can progress quickly – often within days, not weeks. Our approach focuses on the commercial reality of the deal rather than a rigid checklist.

A sound feasibility gives both developer and lender confidence. It helps secure funding, clarify decision-making, and keep the project on track when challenges arise. More importantly, it protects the developer's capital by identifying risks before they become costly problems. Whether you're starting out or scaling up, the feasibility is where every successful development begins.

The Core Drivers of Development Lending.

Every successful development finance application rests on three core drivers: capital commitment, capability, and clarity of repayment. These principles guide how lenders assess both the project and the developer behind it. They determine not only how much can be borrowed but also how quickly and confidently a lender can commit to funding. At ASAP Finance, these pillars form the foundation of every lending decision.

1. Capital Commitment: Demonstrating Skin in the Game

Capital commitment reflects the developer's personal investment in the project – often referred to as "hurt money." It signals alignment of interests between the developer and the lender, showing that the borrower is fully committed to successful delivery.
Banks generally expect developers to contribute between 25% and 30% of the total development cost (TDC). These costs include land, construction, professional fees, council charges, finance costs, and contingency. In contrast, non-bank lenders – including ASAP Finance – can fund up to 80–85% of TDC, limiting the required equity contribution to around 15–20%. In certain de-risked cases, this can stretch even higher.

Capital contribution isn't limited to cash. It can include value already created through resource consents, engineering works, or uplift in land value since purchase. A strong project can also support higher gearing, as higher margin projects often result in lower LVR loan facilities, meaning lower risk for both lender and borrower. Developers with 25–30% profit margins, for example, often qualify for higher leverage because the project's "buffer" reduces downside risk.

2. Capability and Track Record: The Confidence Factor

Development is a complex, high-stakes business, and experience is one of the most valuable forms of security. Lenders assess not only the developer's direct experience but also the strength of their team – including builders, project managers, Quantity Surveyors (QS), and consultants.

Banks typically favour seasoned developers who have completed multiple successful projects. For those with limited experience, the involvement of strong consultants can bridge the gap. ASAP Finance actively supports this approach, often working with new or emerging developers provided they surround themselves with the right professionals. Our lending managers bring hands-on construction and finance experience, offering practical insights to help clients anticipate risks before they become issues.

Capability is how you show that you've assembled a credible, skilled team and a plan that can be executed with discipline and transparency.

3. Repayment Strategy: A Clear Path to Exit

The final driver of lending confidence is a clear repayment pathway – how and when the development loan will be repaid. Most development finance facilities are short-term in nature and are typically repaid through sales or refinancing once construction is complete.

Banks rely heavily on pre-sales as proof of exit. They often require 70% to 100% debt cover before approving funding, with some insisting on up to 125% coverage to protect against settlement risk. Non-bank lenders like ASAP Finance take a more flexible view, assessing whether the completed product will sell readily in the market rather than insisting on pre-sales upfront. Most of ASAP's loan facilities are provided with no pre-sales from the outset, allowing developers to start construction sooner and sell closer to completion – when buyer confidence and prices are higher.

For build-to-rent or hold strategies, developers refinance with long-term lenders once construction is complete. Early engagement with these lenders ensures a smooth handover from short-term development finance to permanent investment funding.

Building Confidence Through Balance

Behind every facility sits a robust security structure designed to protect both parties. Development loans are typically secured by a first mortgage over the property, backed by a General Security Agreement (GSA) that extends over the borrower's all present and after acquired property. Lenders also require personal guarantees from the directors or shareholders of the borrowing entity, ensuring accountability for performance.

For larger or more complex projects, additional assignments may be taken over intellectual property, pre-sales, leases, or the construction contract. In some cases, these are supported by a Tripartite Agreement between the developer, lender, and builder to clarify responsibilities and streamline communication throughout the build.

Every lending decision comes down to balance – between the capital you commit, the capability you bring, and the clarity of your repayment plan. When these three elements align, funding moves faster, risk is reduced, and confidence is high on both sides of the table.

ASAP Finance's strength lies in understanding these drivers and applying them pragmatically. We assess projects through a commercial lens – focusing on viability, structure, and delivery – to help developers turn strong ideas into successful, funded projects.

Preparing for success: key steps

Property development offers the potential for excellent financial returns, but it's not without complexity or risk. Success comes not just from ambition or capital, but from preparation, strategic planning, and the ability to manage variables that change rapidly and often without warning. Many experienced developers started in the same place, navigating uncertainty, learning the ropes, and building a support network around them. For any investor looking to succeed in development, the key is to approach the process with patience and a clear understanding of what lenders expect.

Strong planning is the first pillar of successful development. That planning starts with rigorous due diligence. Understanding the land, zoning, access to services, flood risks, and consent requirements is critical before committing to a site. Developers often say they "make their money on the way in", meaning the terms under which the land is purchased often define the project's ultimate success. A comprehensive feasibility study is essential. It should outline expected revenues, all development costs, funding expenses, and most importantly, target a healthy margin – ideally 25 to 30 percent. That margin provides buffer, or "fat," to absorb the inevitable cost variations that occur during a build. It also informs what you can afford to pay for land, ensuring your purchase price leaves room for profit.

Success also depends on building the right team around you. Development is not a solo pursuit. A skilled finance advisor can make or break your funding strategy, helping you secure the right product structure and present your application in a lender-friendly format. Engaging professionals like engineers, designers, and land finders brings valuable perspective, especially for those new to development. A capable builder is critical. Find one who comes recommended and has a proven record of delivering quality work on time and on budget. A Quantity Surveyor can also be invaluable. They not only assist with feasibility and budgeting, but also ensure the build contract is compliant with lender expectations and that costings are sound.

From a delivery standpoint, time is your most valuable resource but also your biggest risk. Delays can result in significantly increased holding costs which can quickly erode a project's margin. Developers should be proactive in managing consents, aiming to secure resource consent by the time land settlement occurs. Getting in and out of a project efficiently, often within 12 months, is a common goal. Contract choice also plays a major role in execution. Lenders prefer structured agreements like NZS 3910, with protections like performance bonds, retentions, and liquidated damages in place.

Contracts should always be independently reviewed and structured to support a cost-to-complete payment model, which aligns with how lenders want funds drawn down.

The finance strategy is where everything comes together. Choosing the right type of capital is as important as being able to access this support. Bank loans offer lower interest rates, but often come with tight equity and pre-sale requirements. This can slow a project down or require more upfront capital. Non-bank lenders offer faster approvals, higher gearing (up to 85 percent of TDC), and may not require pre-sales at all. While the cost of funding is higher, the speed and flexibility they provide often lead to better overall outcomes. A well-structured project with strong fundamentals can yield a higher Return on Equity under a non-bank facility, making it easier to scale over time. Regardless of the funding source, developers must remain transparent and communicative with lenders, especially if challenges arise.

Avoidable Risks and Common Pitfalls in Property Development.

Even the most promising development projects can be derailed by missteps in planning, execution, or team selection. At ASAP Finance, we've seen firsthand how seemingly minor oversights can compound into costly delays and margin erosion. Successful developers don't just focus on upside potential – they actively manage downside risks. This chapter outlines the most common pitfalls that derail projects and the practical ways to avoid them.

Delays: The Most Expensive Risk

Time is not just money in development – it's everything. Delays can have a lethal impact on profitability. Rollover fees, compounding with interest and line fees, can quickly wipe out returns. But the bigger risk lies in market changes. A three-month delay in a softening market can erode margins or force a complete reassessment of exit strategies.

Much of the delay risk stems from poor consent management. Developers often underestimate how long it takes to secure the final signoffs required for Code Compliance and titles. The titling process alone requires certificates of acceptance for public assets, engineering completion certificates, s223 and s224(c) certificates, and other council approvals - many of which sit in processing queues and can collectively add three to four months with no physical works underway. Smart developers treat compliance as a parallel workstream, scheduling critical risk items like pouring the driveway and vehicle crossings, and installing water meters early to avoid costly bottlenecks, extended interest costs, and delayed settlements at the end of the project.

Contracts and Builder Management

One of the most overlooked sources of risk is the construction contract. Standard Master Builders contracts often favour the builder, with front-loaded milestone payments and mortgage clauses that are unacceptable to lenders. It's critical to align the contract with the lender's funding model – typically a cost-to-complete structure.

Failure to include protections like performance bonds, retentions, and liquidated damages leaves the developer with little recourse if things go wrong. Selecting an experienced builder and getting the contract reviewed by a QS or legal adviser before signing are minimum requirements. The builder's credit history, past performance, and supplier relationships should all be reviewed upfront. A poor builder can cost you far more than just time – they can sink the entire project.

Budgeting Mistakes and Financial Oversights

Too many projects fail on paper before they fail on site. Underestimating costs, especially civil and in-ground works, is a repeat mistake. Developers should include contingencies of between 4 to 10% depending on the nature and complexity of the project. Quotes must be carefully reviewed for "tags and clarifications," which often hide additional cost exposures.

As previously mentioned, GST errors in the feasibility report are also common. Failing to treat revenue and costs on the same GST basis can lead to wildly inaccurate margin projections. A minimum margin of 20-25% should be targeted to create room for unexpected changes in pricing or programme. Anything less makes funding difficult and puts equity at risk.

Note, the only margin that truly matters is the net margin after finance costs. Interest and fees must be included. A project that looks viable on a gross basis can quickly become marginal once the full cost of capital is considered.

Site Conditions and External Dependencies

Geotechnical surprises are another source of cost blowout. Volcanic rock, poor soil, or flood plains can introduce major engineering challenges. These risks must be identified early with a detailed geotech report. Services access is another critical factor – if connections run through neighbouring land, consent must be formally secured before works begin. A handshake agreement is not enough; legal agreements drafted by solicitors are essential to avoid costly standoffs or delays.

Pre-sale Contract Oversights

For projects requiring pre-sales, the terms must be airtight. Sunset dates must be set at least 12 months past expected completion, deposits must meet minimum thresholds (10% local, 20% overseas), and sales must be to unrelated parties. Non-qualifying sales, buyer assignment without consent, or multiple unit purchases by a single party all increase risk and can jeopardise funding. Developers must understand that not all sales are equal in the eyes of the lender.

People, Transparency, and Experience

Strong communication with your lender is vital. When issues arise – and they will – early, honest dialogue makes a huge difference. Hiding problems only leads to stricter conditions or forced exits later.

Development is a team sport. Inexperienced developers often try to do too much themselves or hire based on cost rather than capability. One underperforming consultant, subcontractor, or planner can derail timelines and budgets. Lenders take comfort in experienced project managers, brokers, and professionals who have delivered before. If you're still building your own track record, surround yourself with people who've done it before.

Information needed for an application.

Applying for development finance doesn't need to be complicated, especially when working with a lender that understands the pace and pressure of property development. At ASAP Finance, we're committed to removing unnecessary roadblocks so developers can move forward with confidence. Our streamlined process is designed to get deals assessed quickly, often providing indicative terms within 48 hours. Understanding what information we require and when can significantly accelerate the funding journey.

To provide indicative terms, ASAP Finance typically only needs two core documents: a detailed feasibility/development budget and draft plans. These give us enough to assess the project concept and begin shaping a funding solution tailored to your needs. Unlike traditional lenders, we don't require a mountain of documentation at this stage – just an honest view of the opportunity.

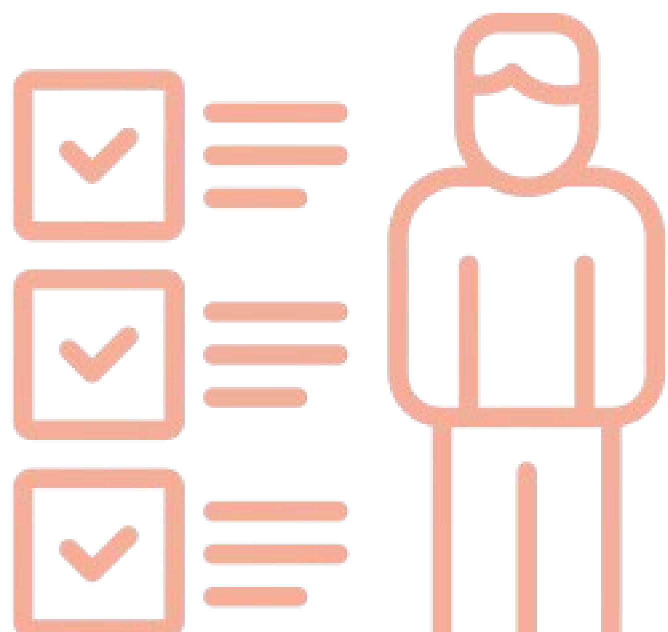
When it comes to a full application and credit approval, we take a comprehensive but practical approach. We assess the full development lifecycle, looking closely at your project feasibility, construction budget, and cost breakdowns. Supporting documents such as building and resource consents, engineering approvals, and construction contracts help us understand the project's scope and readiness. If you have any pre-sales or projections, we'll review these as part of your proposed exit strategy. However, unlike many lenders, pre-sales are not a requirement for funding with us.

Our lending model also includes flexibility around standard conditions that often slow developers down. ASAP Finance does not require fixed-price construction contracts, registered valuations, or full financial disclosure. We frequently waive Quantity Surveyor (QS) involvement, relying instead on our team's commercial expertise and hands-on understanding of development risk. This is especially valuable for experienced developers who already have equity in the project, whether through deposit, consents, or value uplift. In some cases, we've funded 100% of forward-looking costs where the developer has already contributed meaningfully to the project.

Financially, we require clarity on security and capital structure. Loans must be secured by a first mortgage, and the amount you can borrow will depend on the strength of that security and the project's fundamentals. We can generally lend up to 75 percent of value, with loans ranging from $500,000 to $50 million. A minimum equity contribution of 15 to 20 percent is usually required, based on total development costs. That said, our approach allows developers to leverage existing equity. If you're applying for our GST Facility to fund the GST portion of progress payments, your entity must be GST-registered, entitled to claim GST on the project, and operate on a monthly GST cycle to ensure efficient drawdowns and reimbursements.

Lastly, experience matters. While we work with developers at all levels, we recommend that less experienced clients surround themselves with qualified project consultants early in the process. This helps keeps development on track and aligns with lender expectations. For those seeking a joint venture structure or equity partnership, a successful track record is essential. We also encourage all clients to engage with their accountant and legal adviser when determining the appropriate ownership structure before purchasing the development site.

Whether you're applying for a $500,000 residential build or a $20 million subdivision, our approach is built on speed, flexibility, and commercial common sense. A well-prepared application backed by the right documents, equity, and team will always give us the confidence to move quickly and get your project underway without delay.



ASAP Finance's process.

ASAP Finance has built a reputation on doing things differently. With a focus on fast, flexible lending tailored to the needs of Kiwi developers, they've refined a process that helps get projects out of the ground. The journey to securing development finance through ASAP is streamlined and commercially focused, designed for real results.

1. Submit Your Application and Receive Indicative Terms

The process begins with the developer submitting a basic application. What sets ASAP apart is how little paperwork is needed to get the ball rolling. Often, all that's required is a detailed feasibility/development budget and a set of draft building plans. With these two documents, ASAP can issue indicative terms in as little as 24 hours. If the terms are acceptable, we will then proceed to work through the balance of the detailed information including resource and building consents, engineering approvals and construction contracts as applicable.

2. Accept the Offer and Move to Formal Approval

Once indicative terms are accepted, ASAP issues a fully credit-approved letter of offer. This isn't a conditional proposal – it's a confirmed commitment to fund, subject only to standard legal checks. The letter outlines the interest rate, facility size, terms, and conditions, all structured to keep restrictions to a minimum.

3. Complete Documentation and Settle the Loan

After signing the offer and paying the establishment fee deposit, ASAP works directly with the borrower's solicitor to complete the loan documents. Costs, including legal fees and brokerage (if applicable), are communicated upfront. Loans are secured on a first mortgage basis, and once documentation is finalised, settlement can occur within two days. The total time from application to funding can be as little as 48 hours – unmatched in traditional banking.

4. Undergo Lifecycle-Based Assessment

ASAP Finance assesses every project on its full lifecycle, from acquisition and design to construction and exit. This allows for a more nuanced and flexible credit decision. Lending managers bring deep commercial expertise and real-world development experience, reviewing project feasibilities, budgets, building and resource consents, construction contracts, and exit plans. Instead of checking boxes, they apply business logic, identifying risk and potential with the developer in mind.

ASAP also stands apart by waiving several requirements common to other lenders. There's no need for fixed-price construction contracts, pre-sales, quantity surveyor reports, registered valuations, or even full financial disclosure. This means fewer delays, lower upfront costs, and fewer conditions to navigate.

5. Structure a Flexible and Scalable Loan

ASAP's development loans range from $500,000 to $50 million, with funding available up to 75% of value depending on security and location. A 15–20% equity contribution is generally required, but ASAP may count value uplift or already contributed capital as equity. For experienced developers, this can mean 100% of forward-looking costs are covered.

Facilities can be tailored whether that's interest-only, part interest-only, or capitalised interest. With capitalised interest, the borrower repays both the principal and accumulated interest at maturity, easing cash flow during the build. ASAP can also fund soft costs such as consents and design fees through dedicated cash flow facilities.

6. Access Additional Services to Support Delivery

Beyond core funding, ASAP offers services to help developers reduce risk and maximise flexibility. Their GST Facility helps manage the GST portion of contractor payments, easing pressure on development funding and reducing interest costs. To use this facility, the borrowing entity must be GST registered and on a monthly GST cycle.

Case Studies

First-time developers, walk-up apartment block

When Mohammed and Shelina Sharif set out to build a nine-unit walk-up apartment block in Mt Wellington, they quickly discovered how challenging it could be to secure funding as first-time developers. Despite strong financials and a solid feasibility, traditional lenders turned them away – citing limited experience, complex build typology, and potential cost risks.

That changed when they approached ASAP Finance. Instead of declining the deal, ASAP's lending team worked closely with the Sharifs to re-engineer the project and make it viable. They identified a critical drainage issue early, proposed a staged funding structure to maintain site momentum, and offered practical guidance drawn from real construction experience.

By waiving the need for a Quantity Surveyor, ASAP saved the couple more than $50,000 in upfront costs – a vital buffer for a young family taking their first step into development. Eighteen months later, the project was complete: nine fully tenanted apartments and two first-time developers who had successfully turned ambition into reality.

“ASAP backed us when no one else would,” says Mohammed. “They don’t just lend money – they understand what it takes to build. Without them, this project simply wouldn’t have happened.”

Mohammad
First-time developer

Case Studies

Flat Bush 39 Unit Townhouse Development

In Flat Bush, a developer set out to deliver a 39-unit, two-stage townhouse project on land acquired from Panuku Development Auckland. With award-winning architecture and strong fundamentals, the project needed a lender who could offer flexibility in a cooling market. Mainstream banks wouldn't proceed without significant pre-sales, which would have stalled momentum and risked the project's viability. Having worked with ASAP Finance before, the developer returned for a solution. ASAP structured a high-capacity, milestone-based loan with no pre-sale requirement, enabling civil works to begin and bridging finance to support an early start on Stage 2.

ASAP helped the client connect with a trusted builder, offered in-house QS and valuation services to accelerate drawdowns, and remained actively involved throughout the project. Even as the market softened, ASAP arranged additional funding to ensure Stage 2 continued uninterrupted. The result was a fully delivered 39-unit development and a relationship the developer describes as essential.

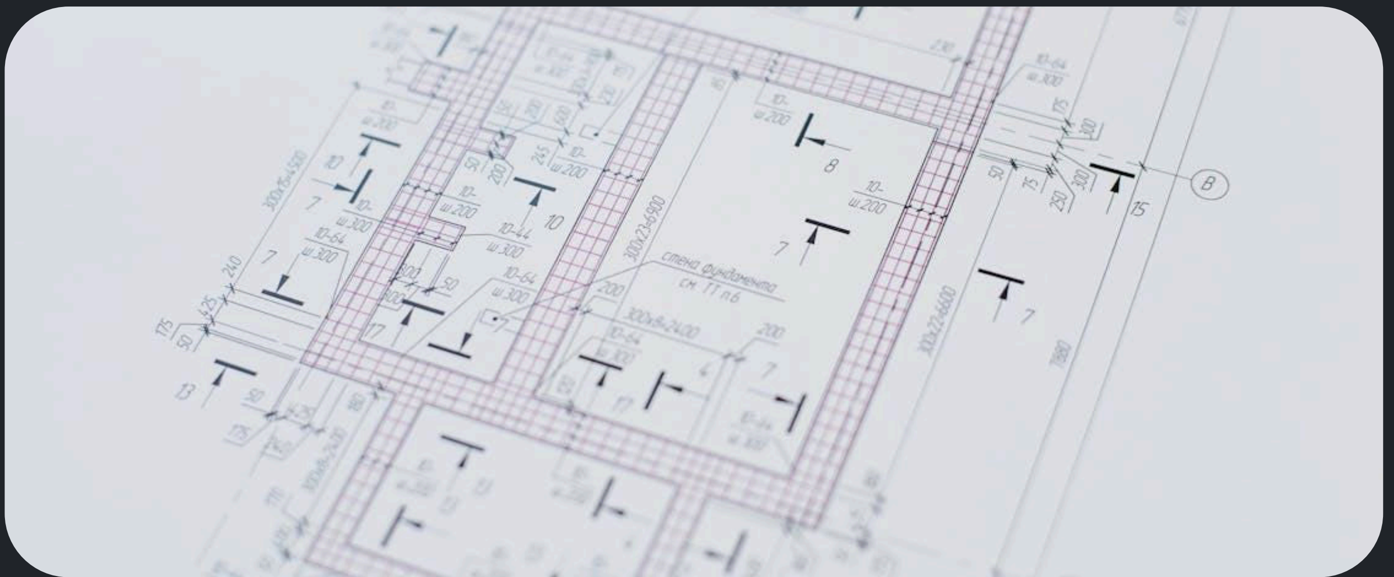
"We always knew we'd need a funding partner who could think beyond the spreadsheet. Someone who understood real-world development, not just risk ratios."

“They helped us connect with a reputable building partner, Treasure Homes – that alone saved us time and reduced risk. They also allowed us to commence Stage 2 earlier than planned by arranging bridging finance quickly. That wouldn’t happen with most lenders.”

“Stage 1 wrapped up just as the market softened, but we didn’t get stuck. ASAP stepped in with bridging finance so we could push ahead with Stage 2 without delay. That kind of proactive funding support is rare.”

ASAP Client
Developer

Hobsonville Point – 90 Lot Construction Project with On-Demand Facility



A well-known developer in Hobsonville Point had completed a subdivision and held unencumbered sections ready for construction. However, after heavy investment into subdivision works, they found themselves capital constrained at the critical stage of vertical construction. Traditional banks viewed the $20 million requirement as a high-risk construction loan, imposed rigid pre-sale conditions, and demanded time-consuming reporting – none of which aligned with the project's urgency or structure. Facing tight delivery timelines and looming contractor commitments, the client needed a more agile funding solution.

ASAP Finance approached the project differently. Rather than treating it as a standard construction loan, they structured the facility as a staged equity release, offering an on-demand $20 million cashflow facility with no pre-sale requirements, no minimum drawdowns, and no QS reporting. Drawdowns were milestone-based, approvals were rapid, and settlement occurred within tight timeframes. The result: the client retained full momentum, construction commenced immediately, and delivery across 90 homes proceeded without delay – achieving an end value of $33.5 million and unlocking significant value that would have otherwise been stalled.

Glossary

3910 or 3915 Construction Contracts
New Zealand's most widely used commercial construction contracts. The 3910 contract requires an independent certifier and administrator, while the 3915 is more flexible and suited to smaller projects. Lenders often prefer these contracts for their clear risk allocation.

Build Contract
The formal agreement between the developer and builder outlining the construction scope, pricing, and obligations. It is usually reviewed by the lender before funding is approved.

Building Consent
Approval issued by the council confirming that the proposed construction meets all regulatory building requirements. It is required before construction can legally begin.

Capitalised Interest
Interest payments that are added to the loan balance rather than paid monthly. Common in construction finance, it helps preserve developer cash flow during the build phase.

Code of Compliance Certificate (CCC)
A certificate confirming that all building work complies with the building consent. It is necessary to close out the project and release titles for settlement.

Contingency
A budget buffer for unexpected construction costs. Developers typically allow 10% on build costs and 15% on civil works to protect against overruns.

Cost to Complete Basis
A funding method where loan drawdowns are certified to ensure the remaining loan balance is sufficient to finish the project. This protects the lender and confirms that developer equity is invested first.

Development Finance
Short-term lending used to fund residential, commercial, or industrial projects. It covers land purchase, civil works, construction costs, and other costs throughout the build lifecycle.

Drawdowns
The staged release of funds from a development loan, typically certified monthly by a lender or Quantity Surveyor based on progress and cost-to-complete.

Feasibility Report
A comprehensive breakdown of project costs and expected revenues. It guides land acquisition pricing, equity requirements, and the development margin. A cornerstone of any development loan application.

Gross Realisable Value (GRV)
The total estimated sales value of all finished units before tax. It is used to assess loan-to-value ratios and determine overall project viability.

Joint Venture (JV)
An equity-based partnership where ASAP Finance may co-invest in a development. A proven track record is required for JV proposals.

Loan to Cost Ratio (LTC)
A measure of leverage comparing the total loan to total development cost. Most lenders work within an LTC of 75–80%, meaning the developer contributes 20–25% equity.

Loan to Value Ratio (LVR)
The ratio of the loan amount to the completed project value. LVR caps typically sit at 60–65% for development funding.

Master Builders Contract
A commonly used build contract in New Zealand. While convenient for smaller projects, it tends to favour builders and may require amendments before being accepted by a lender.

Pre-sales
Sales made before or during construction, providing a contracted exit for the loan. While banks typically require substantial pre-sales, ASAP Finance often funds projects without them.

Quantity Surveyor (QS)
An independent construction cost expert who certifies budgets and drawdowns. Banks generally require QS reports; ASAP Finance may waive this requirement depending on project size and experience.

Resource Consent
Council approval allowing a specific activity on a site that falls outside standard planning rules. It is often required before construction funding is approved.

Return on Equity (ROE)
A profitability measure comparing project profit to the equity invested. Higher ROE is often achievable through leveraged funding and efficient project delivery.

Sunset Date
A clause in a pre-sale contract allowing cancellation if the project is not completed by a specified date. Lenders typically require sunset dates with at least a 12-month buffer beyond forecast completion.

ASAP Finance Limited

Level 3, The Blade, 12 St Marks Road, Remuera,
AucklandPO Box 99 975, Newmarket, Auckland, 1149

+64 9 520 3660
0800 272 756 (freephone)
+64 9 520 3664 (fax)
Email: info@asapfinance.co.nz