1. Development Finance for Real Estate

A conventional senior secured debt facility, extended by a financial institution directly against the security of a real estate asset. Best suited to developers with an established track record seeking straightforward, asset-backed leverage for development projects.

Key Terms

Facility Size	Up to AED 60,000,000 (AED 60 million)
Structure	Secured finance against real estate asset security
Loan-to-Value (LTV)	Up to 60% LTV (ready inventory may qualify for a higher LTV)
Eligible Security	Land; unsold inventory (minimum 50% construction completed); sold-out inventory; receivables; or ready inventory (exceptions can be discussed on a deal-by-deal basis)
Eligibility Criteria	Developer must have completed at least one prior project
Interest / Profit Rate	12% per annum
Term	2 – 4 years

Notes

- The financial institution takes a registered security interest over the chosen asset class (land, inventory, or receivables).
- Advance rates are capped at 60% of the assessed asset value, with better-quality, ready inventory able to command a higher LTV.
- Under-construction inventory is only eligible once construction has reached at least 50% completion, reducing execution risk to the lender. Exceptions can be discussed on a deal-by-deal basis.
- A prior completed project is required as a proxy for developer credibility and delivery capability.
- Pricing is 12% p.a., reflecting a conventional secured-lending risk premium, over a 2–4 year term.