

PROPERTY DEVELOPMENT FINANCE CAPITAL STACK: DEBT TRICKLE DOWN FROM GROUND-UP DEVELOPMENT TO LEGACY PLANNING

Ground-up Development Project

Stage	Debt Type	Use
Land Acquisition	Bridging / Land Loan	Secure development site (with or without planning)
Enabling Works	Infrastructure / Pre-Construction Loan	Site prep: utilities, access, drainage
Construction	Senior Development Finance	Fund build costs, professional fees, labour
Equity Gap	Mezzanine / Junior Debt / Investor Loan	Top up where senior debt doesn't fully cover project
Sales Period	Developer Exit Finance	Refinance build loan to give time for sales
Rental Conversion	Bridge-to-Let / Term Refinance	Refinance to hold as income-producing asset

Debt as a Recycling Mechanism

Use	Description
Releasing equity from one project to fund the next	Keep leverage cycling through development or BTL projects
Using bridge-to-let for value-add flips	Buy, refurb, refinance → repeat
Sweating equity in commercial/resi portfolios	Recycle capital via regular refinancing

DEBT BEYOND DEVELOPMENT: WIDER USES IN PROPERTY FINANCE

Commercial & Semi-Commercial Assets

Stage	Debt Type	Use
Commercial Purchase	Commercial Mortgage	Fund acquisition of shops, offices, warehouses, etc.
Mixed-Use Acquisition	Semi-Commercial Mortgage	Shop + flat or commercial + resi combinations
Owner-Occupier Business Premises	Owner-Occupied Commercial Loan	Buy premises for your own business use
Refinancing Commercial Asset	Commercial Remortgage	Optimise loan terms or release equity
Development of Commercial Units	Commercial Development Loan	Build-to-sell or build-to-hold commercial schemes

Portfolio Building, Optimisation & Scaling

Stage	Debt Type	Use
Buy Multiple Properties	Portfolio BTL / Multi-Unit Finance	Simplify lending across multiple assets under one facility
Incorporate Portfolio	Ltd Co Mortgages / SPV Lending	Switch from personal to company structure
Release Equity	Capital Raise / Cash-Out Refinance	Pull cash from existing assets to reinvest
Restructure Debt	Portfolio Refinance / Term Loan	Combine debt or extend terms to improve cash flow
Acquire via Auction	Auction Bridging Loan	Fast acquisition of properties under time pressure

Early-Stage Property Investment (Buy-to-Let & Refurbs)

Stage	Debt Type	Use
Buy-to-Let Purchase	BTL Mortgage	Purchase of rental property for income and capital growth
Let-to-Buy	Residential Remortgage + New BTL	Retain old home as BTL while buying a new residence
Refurbishment Project	Light Refurb Loan / Bridge- to-Let	Buy, improve, refinance rental property (often BRR strategy)
Holiday Let Purchase	Holiday Let Mortgage	Fund purchase of a furnished short-term rental asset

First Entry into the Market (Owner-Occupiers)

Stage	Debt Type	Use
First-Time Purchase	Residential Mortgage	To buy a first home with a deposit (e.g. 10– 25%)
Shared Ownership / Help to Buy	Equity Loan + Mortgage	Government scheme support combined with standard mortgage debt
Self-Build	Self-Build Mortgage	Fund land + phased construction of own home
Relocation / Upsizing	Residential Mortgage Porting / Remortgage	Selling one home to buy another, often upsizing
Bridging (Residential)	Bridging Loan	Purchase before selling existing home (chain-breaker)

Exit, Retirement, or Legacy Phase

Stage	Debt Type	Use
Equity Release	Lifetime Mortgage / Retirement Interest-Only (RIO)	Unlock property wealth later in life without monthly payments
Downsizing Bridge	Bridging Loan (Senior Buyers)	Buy new smaller home before selling current one
Inheritance Tax Planning	Trust Lending / Secured Advance	Use debt to restructure asset ownership while retaining control
Business Succession (Commercial)	Commercial Equity Release / Sale & Leaseback	Extract equity from business premises to retire or reinvest
Legacy Gifting	Secured Loans against Property	Borrow against estate value to gift assets pre-mortem