FJP Investment

MONTHLY INVESTMENT GUIDE · NOVEMBER 2026

PROPERTY DEVELOPMENT FINANCE EXPLAINED

A PRACTICAL GUIDE TO HOW PROJECTS ARE FUNDED, MONITORED AND REPAID

Understanding the capital stack, development appraisal, drawdowns, security and exit.

PAGE 02 • THE PROJECT AT A GLANCE

HOW DEVELOPMENT FINANCE WORKS

Development finance funds the acquisition, construction, conversion or improvement of property over a defined period. Its outcome depends less on any single figure than on how the site, the plan, the costs, the funding, the legal rights and the repayment route fit together.

One project, seven stages

01	SITE	A site is identified and the entity that will own and deliver it is set up.
02	PREPARE	Planning and professional work reaches the stage the documents require.
03	MODEL	Costs, values, funding and timetable are modelled in an appraisal.
04	COMMIT	Equity and debt are committed under formal documents, with security agreed.
05	RELEASE	Finance is released in agreed stages as conditions are met.
06	MONITOR	Progress, costs and the funding still available are reported and checked.
07	REPAY	Sales, refinancing or another documented event is intended to repay it.

Stages 1 to 3 come before funding, stage 4 is the commitment, stages 5 and 6 run through the build and stage 7 comes at the end. In practice the stages overlap, and the order, documents and controls differ between projects. The pages that follow take each part in turn and set out what a reader should expect to see and which questions are worth asking.

WHY THIS MATTERS NOW

In its Agents' summary of business conditions for October 2026, the Bank of England reported that demand for new residential development finance was particularly weak, and that developers were seeking extensions of existing facilities where completed properties were difficult to sell.[S1]

The summary reflects intelligence gathered from businesses in the six weeks to early October and is not a forecast. It is a reminder that build costs, sales timing and refinancing conditions do not always move together, which is when the capital stack, the cost-to-complete position and the repayment plan most need to be understood.

PAGE 03

IMPORTANT INFORMATION

The purpose of this guide

This guide explains, in general terms, how property development projects are commonly funded, monitored and repaid. It is written for qualifying private investors. It is general educational information. It is not an offer to invest, a personal recommendation, or financial, legal or tax advice, and it does not describe any current investment opportunity.

FJP Investment's role

FJP Investment acts as an introducer. It identifies and reviews opportunities before deciding whether it is prepared to introduce them, provides information, and introduces interested qualifying investors to the relevant third-party provider.

FJP Investment does not provide personal investment, legal or tax advice, assess suitability or make the investor's decision. It does not hold investor money, manage developments, control drawdowns, value property, monitor construction or make payments, and does not approve, endorse or guarantee any provider, project or outcome. Investment capital is paid to the recipient specified in the provider's official documentation, never to FJP.

FJP Investment is not authorised or regulated by the Financial Conduct Authority.

Investment risk and protection

Capital is at risk. Development finance and other private debt investments can be illiquid, and investors may lose some or all of the capital invested. Returns and repayment depend on the provider, the legal structure, the progress of the project and the event intended to repay it. Property backing, a registered charge, a security trustee, professional involvement and monitoring do not guarantee recovery.[S2]

Regulatory, Financial Ombudsman Service and Financial Services Compensation Scheme protection may not apply. Where it can apply, it depends on the particular firm, activity and product, and must be checked for each investment.[S2 S3] Independent regulated investment, legal or tax advice may be appropriate, particularly where the amounts are material, the structure is unfamiliar or the investor is resident outside the United Kingdom.

PUBLICATION NOTE

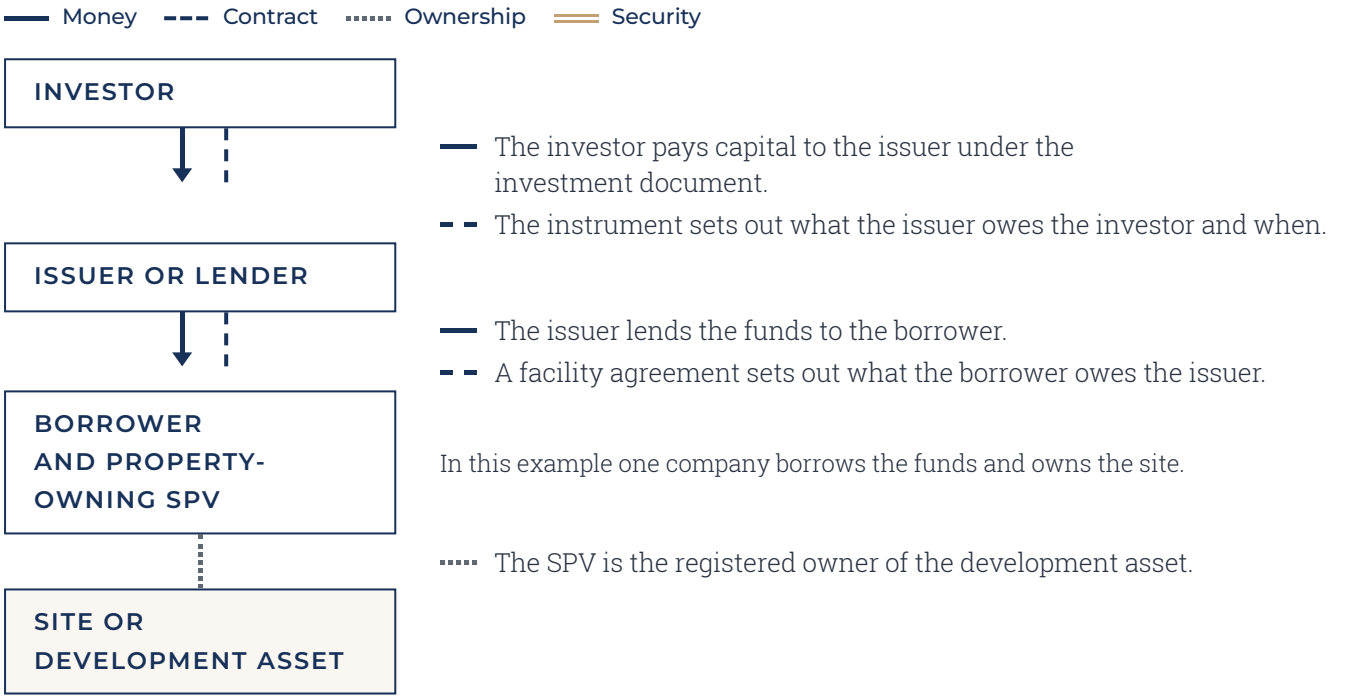
First published November 2026. Information and sources checked to 1 November 2026. Product terms, legislation, regulatory requirements and tax guidance can change. Confirm the current position before acting.

PAGE 04 · STRUCTURE

IDENTIFY THE PROJECT, THE BORROWER AND THE ASSET OWNER

An investment is made with a particular legal entity under a particular document. That entity may not own the site or carry out the development.

HYPOTHETICAL STRUCTURE · FOR ILLUSTRATION ONLY



BORROWER / SPV — grants a legal charge over the site in favour of → ISSUER OR NAMED SECURITY TRUSTEE

Other projects separate the borrower, developer and property owner, or have no issuer. The investor does not hold this charge directly unless the documents say so. FJP Investment sits outside this chain.

Why the distinction matters

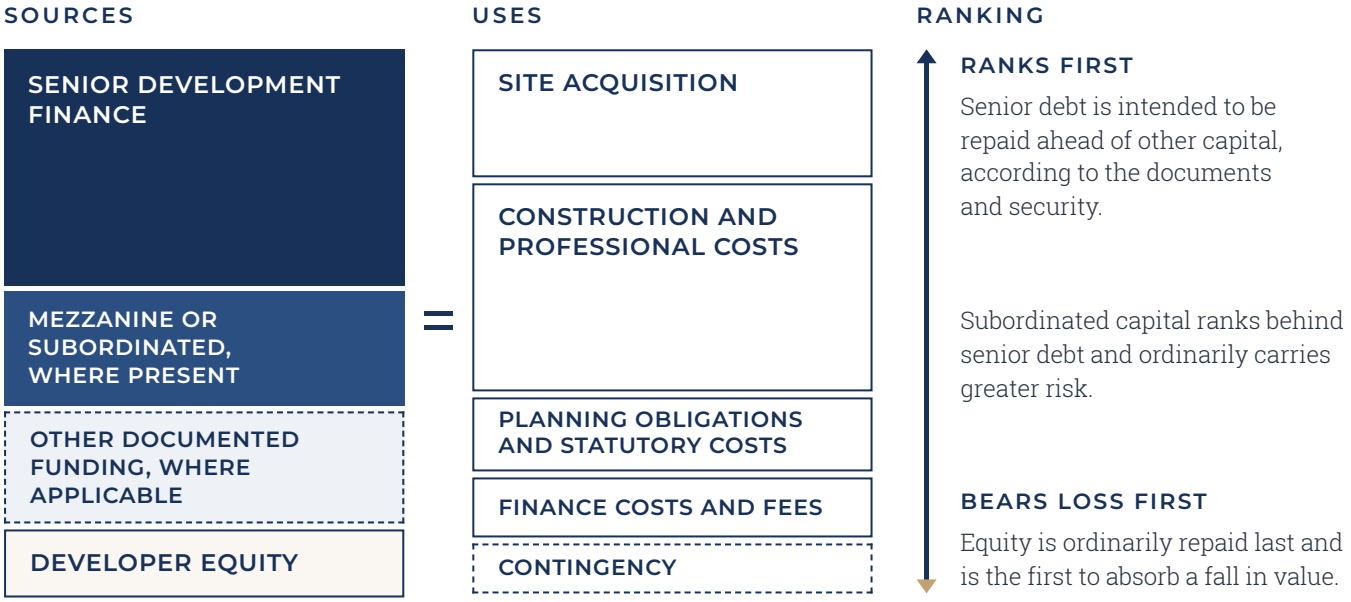
The investor's rights run against the entity named in the investment document. Investing in an issuer does not automatically give the investor direct ownership of, or security over, the underlying property. A project SPV, a company formed to own or deliver one development, separates the scheme from a wider group but does not by itself remove risk. Borrower interest and investor payments are separate obligations (page 11).

01	02	03	04
Who owes the investor money?	Which entity owns the site?	Which entity receives and uses the capital?	Which documents connect those entities and obligations?

PAGE 05 • CAPITAL

SHOW WHERE EVERY POUND COMES FROM —AND WHERE IT GOES

A sources-and-uses statement sets out what a project is expected to cost and how each part of that cost is to be funded. The two sides should balance, and the timing of each source matters as much as its amount.



Illustrative only and not to scale. Not every project uses every source, and the documents, not the diagram, set the ranking.

Reading the sources

Developer equity is capital contributed by the developer or its shareholders. An equity contribution shown in a forecast has not necessarily been paid. Ask when it is contributed, in what form and whether it can be withdrawn. Check whether any source is conditional, such as sales deposits that can only be used once released or grant that depends on milestones.

Reading the uses

The uses side shows what the money pays for and when. Finance costs and fees are themselves a use of funds, so a longer programme can increase the total required. Contingency is an allowance for cost that cannot yet be foreseen. It is part of the budget, not spare capital.

KEY MESSAGE

A balanced statement at the start is only the first test. The more useful question is whether committed, available funding still covers the remaining cost at each stage of the build.

PAGE 06 · READINESS

A SITE IS NOT YET A COMPLETED DEVELOPMENT

Development readiness is not one condition. It is a collection of separate positions and documents, each of which may be satisfied, partly satisfied or still outstanding when finance is arranged.

CONDITION	WHAT IT ESTABLISHES	WHAT IT LEAVES OPEN
Ownership and title	Which entity owns the land, on what terms, and which rights and restrictions are recorded against it.	Whether the scheme can be built, what it will cost or what it will be worth.
Planning position	Whether permission exists for the proposed scheme, and on what conditions and obligations.	Conditions, obligations and time limits that may still need to be met or paid for.
Building control and statutory requirements	The approvals and compliance needed to build and, later, to occupy.	These run separately from planning and are evidenced through their own processes.
Design and specification	What is to be built and to what standard.	Parts of the design may still be developing after work starts.
Building contract and appointments	Who builds and who designs, at what price and on what terms.	Packages not yet let, and price movement through variations or claims.
Surveys, rights, access and utilities	Ground conditions, legal and physical access, and the connections the scheme needs.	Findings that alter cost or programme; third-party consents.
Conditions before drawdown	What must be satisfied before the first, or any later, release of finance.	Meeting a condition does not remove the risk it relates to.

Lenders commonly ask a professional to review these matters before money is released. Homes England's published scope for monitoring surveyors on its own loans, for example, asks for an initial report covering planning requirements, statutory approvals, ground conditions, access rights, the building contract and insurances.[S4] That scope applies to England and to Homes England's own lending; private lenders set their own requirements.

> **JURISDICTION**
>
> Planning, building control and land registration differ between England, Wales, Scotland and Northern Ireland. The project documents and legal advice in the relevant jurisdiction establish the position.

PAGE 07 · APPRAISAL

THE APPRAISAL IS A MODEL—TEST THE ASSUMPTIONS

A development appraisal brings together expected costs, revenues, timing and finance. It is built from assumptions, and it changes as the project changes.

The project equation

	Expected completed value	Achieved prices, sales rate and timing
–	Land and acquisition costs	Price paid, taxes and fees on purchase
–	Construction costs and contingency	Contract price, preliminaries, allowance for the unforeseen
–	Professional and statutory costs	Design and consultant fees, planning obligations
–	Sales and marketing costs	Agents, legal costs and incentives on sale
–	Finance costs	Interest and fees for as long as debt is outstanding
=	**Modelled project surplus before tax and other items**	Often compared with a target developer return

Each line rests on an assumption that can be tested: the build programme and cash-flow timing, construction cost, contingency, finance cost, sales rate and achieved prices. Homes England's published monitoring scope treats the original appraisal, build programme and cash-flow statement as the reference point against which later changes in cost and time are measured.[S4]

How a delay moves several lines at once

THE PROGRAMME EXTENDS ▶

Costs rise. Site running costs and preliminaries continue for longer.

Interest grows. Debt stays outstanding longer, adding interest and possibly fees.

Receipts move. Sales or refinancing proceeds arrive later than modelled.

Repayment slips. The repayment date may need to be extended.

PAGE 08 • VALUES

ONE PROJECT CAN HAVE SEVERAL DIFFERENT VALUES

A valuation is an opinion on a stated basis, at a stated date, on stated assumptions and for a stated purpose. A development can carry several values at once, and each answers a different question.

OPINIONS OF VALUE				CASH
CURRENT SITE VALUE	**WITH PLANNING**	**WORKS TO DATE**	**GDV**	**NET PROCEEDS**
The land as it stands today.	The site with the relevant planning position.	The site plus the work completed so far.	Estimated value of the completed scheme.	Cash actually received after the costs of sale.

Gross development value (GDV) is the estimated value of the completed scheme on the valuer's stated basis, date and assumptions. It is not cash already available for repayment. The basis, date, assumptions and permitted reliance of any valuation all matter, and a valuation addressed to a lender may not be relied on by anyone else.

Three ratios, three different denominators

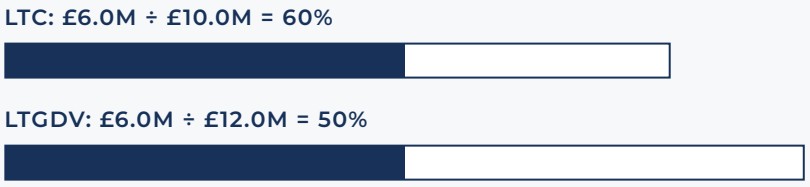
LOAN-TO-COST (LTC)	LOAN-TO-VALUE (LTV)	LOAN-TO-GDV (LTGDV)
Debt compared with the defined project cost.	Debt compared with a stated valuation at a stated date.	Debt compared with the estimated completed value.

HYPOTHETICAL EXAMPLE • NOT A LIVE OPPORTUNITY

£10.0m defined total development cost

£6.0m senior development facility, taken as fully drawn

£12.0m estimated completed value (GDV)



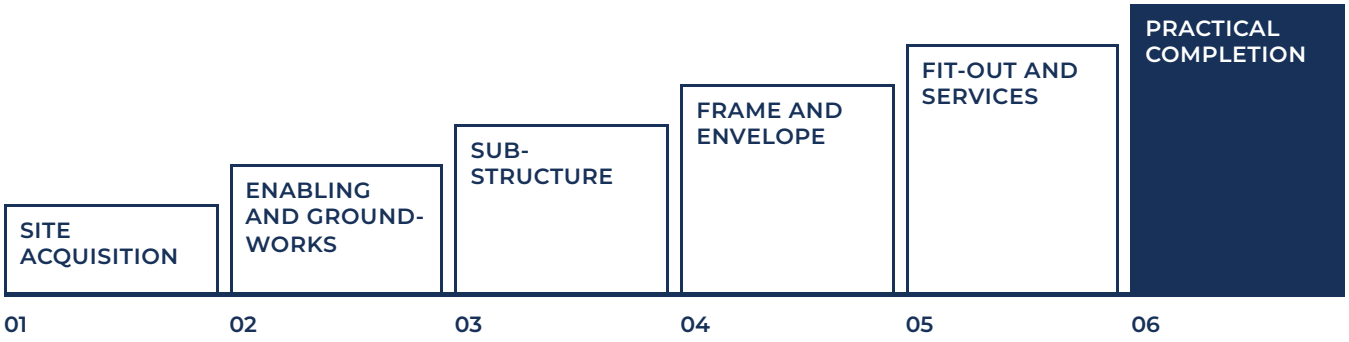
Same debt, different denominators. Bars drawn to a common scale. No LTV is shown because no current value is assumed.

Neither ratio describes the risk on its own. The practical position changes if accrued interest or fees are added to the debt, if the cost figure excludes finance costs or contingency, if other debt ranks ahead or alongside, or if the completed value moves. A ratio is only meaningful when the amount of debt, the definition of cost, the valuation basis and date, and the ranking are all known.

PAGE 09 · DRAWDOWNS

WHY DEVELOPMENT FINANCE IS OFTEN RELEASED IN STAGES

A facility is commonly committed at the start but released over time. Linking each release to conditions, completed work and updated cost information gives the lender a point of control at each stage.



Illustrative milestones. Each release follows a request, a review and, where required, a monitoring certificate.

A drawdown review may consider

- ☐ Work completed since the last release
- ☐ Expenditure to date
- ☐ The updated programme
- ☐ The current cost to complete
- ☐ Contingency remaining
- ☐ Compliance with agreed plans and finance conditions
- ☐ Whether undrawn finance and other committed sources are still adequate

The monitoring surveyor's role

A monitoring surveyor reports, for a named client and within a defined scope, on matters such as progress, cost, programme and drawdown. RICS publishes practice information for members advising those who provide finance on real estate developments.[S5] In Homes England's scope for its own loans, the surveyor's certificate is a condition of each drawdown, and Homes England takes no responsibility for the accuracy of the reports.[S4] Ask who the client is, what is in scope and who may rely on the report.

KEY MESSAGE

A monitoring report assists the party that instructed it. It does not manage the project, transfer the developer's responsibility or guarantee that the scheme will complete or that the finance will be repaid.

PAGE 10 • COST TO COMPLETE

THE MOST IMPORTANT NUMBER MAY CHANGE DURING THE BUILD

Cost to complete is the current estimate of what it will take to finish the project to the required standard. It is a live assessment, not the unused balance of the original budget.

A four-part checkpoint

1 BACKGROUND Cost incurred to date: what has been spent so far, checked against work done.

2 REVISED COST TO COMPLETE	COMPARED WITH	3 FUNDING AVAILABLE	=	4 HEADROOM OR SHORTFALL
Everything still needed to finish, including a remaining contingency allowance.		Undrawn committed finance and other funding actually available.		The funding headroom or shortfall after allowing for the remaining costs and contingency.

Boxes show the comparison, not amounts. Contingency sits inside the cost estimate in box 2; it is a budget allowance, not a separate source of money.

Homes England's published monitoring scope, for example, requires a cost-to-complete estimate in the initial report, updated monthly against the original appraisal, with observations on anything that could push costs or the completion date beyond current estimates.[S4] Check whether the revised cost to complete includes a remaining contingency allowance. Compare that total with undrawn committed finance and other funding actually available. A shortfall may require additional equity, further debt or an agreed change to the scheme. Do not count contingency twice or treat a budget allowance as an additional source of funding.

What useful progress reporting should reveal

Programme — the current estimated completion date against the original

Cost movement — changes to the cost to complete, and why

Sales position — reservations, exchanges and completions

Material issues — disputes, claims, consents or contractor difficulties

Next report — when the next written update is due

Physical progress — what has been built since the last report

Variations — changes to the design or contract

Funding adequacy — whether available funding still covers the remaining cost

Corrective action — what is being done, by whom

PAGE 11 • INTEREST

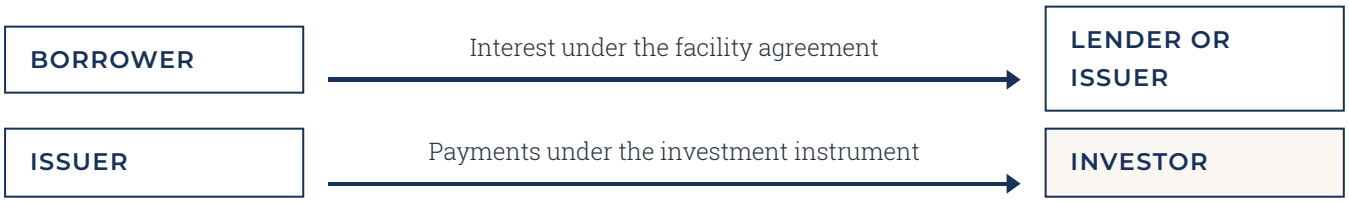
A STATED RATE STILL NEEDS A SOURCE OF CASH

The interest rate in a finance document is an obligation, not evidence that cash is available to meet it. A development often produces little or no income until units are sold or the scheme is refinanced, so how interest is met matters.

ARRANGEMENT	HOW IT GENERALLY WORKS	ASK
Paid during the term	The borrower pays interest periodically as it falls due.	Where does the cash come from before sales?
Retained	Part of the facility is allocated to interest rather than construction. The facility terms determine when it is drawn and added to the debt.	Is the retention sized for the full term, including delay?
Accrued or rolled up	Interest builds up unpaid and becomes payable later, usually on repayment.	What will the total amount due at exit be?
Capitalised	Unpaid interest is added to the amount owed; further interest may be charged on it if the documents provide.	Does interest compound, and how often?
Repayment-dependent	Payment depends on sales, refinancing or another event at the end.	What happens if that event is delayed?

"Rolled up" and "capitalised" are sometimes used loosely; the documents determine which applies. An interest retention allocates part of the facility to interest rather than construction. It does not by itself establish when that amount is drawn or added to the outstanding debt; the facility terms determine this. Where unpaid interest is capitalised, the amount owed increases, and further interest may be charged on it if the documents provide.

Two obligations, two payment paths



These are separate obligations under separate documents. Their rates, amounts and payment dates may differ, and an issuer's ability to pay investors may depend on what it receives from the borrower.

> **Tax.** The treatment of interest, including any withholding and the position of non-UK residents, depends on the structure and individual circumstances. This guide does not address it; independent tax advice may be appropriate.

PAGE 12 • SECURITY

PROPERTY BACKING IS ONLY AS STRONG AS THE LEGAL POSITION AND RECOVERABLE VALUE

Secured debt gives a creditor rights over specified assets if the borrower does not pay. Those rights depend on who granted them, over what, how they were registered and who else has a claim. They do not fix the amount that will be recovered.

Illustrative recovery from property subject to fixed charges

PROCEEDS FROM SELLING THE CHARGED PROPERTY

▼

Less applicable costs of preserving and realising that property

▼

Then fixed-charge claims in their applicable priority

▼

Any surplus passes to the company or relevant insolvency estate for further distribution

This example concerns fixed charges over property. Floating-charge recoveries follow different statutory rules, including priority claims and amounts reserved for unsecured creditors.[S6] The security documents, applicable law and facts determine the actual distribution.

Eight questions to examine

01 Which entity grants the security?

02 Which asset is charged?

03 Who legally owns that asset?

04 Is the charge fixed, floating or both?

05 Where and when is it registered?

06 Who holds it, and who may enforce it?

07 Which creditors rank ahead, alongside or behind?

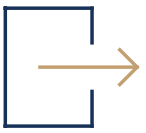
08 What costs and delays could affect recovery?

Two public records, two different functions

A charge created by a UK company is registered on the company's public record at Companies House. If it is not registered within 21 days, it may be difficult to recover the debt if the company becomes insolvent.[S7] For registered land in England and Wales, HM Land Registry records legal charges against the title, and registered charges rank between themselves in the order they are entered on the register unless the register records otherwise.[S8] Scotland and Northern Ireland keep separate land registers. Registration is important, but it does not prove the value of the asset, the validity of every contractual step or the amount that enforcement will recover.

PAGE 13 • REPAYMENT

CONNECT THE MATURITY DATE TO A REAL REPAYMENT EVENT



The finance documents state when the debt is due. The repayment plan explains where the cash to repay it is expected to come from. A maturity date does not itself create that cash.

Principal repayment routes

COMPLETED-UNIT SALES	Depends on buyer demand, mortgage availability, prices and sales rate.
SALE OF THE WHOLE DEVELOPMENT	Depends on investor demand and pricing for the completed asset.
REFINANCE	Into longer-term or replacement debt. Depends on lender appetite, valuation and rates.
OPERATING OR RENTAL INCOME	Where the structure supports it. Depends on occupancy and income.
ANOTHER DOCUMENTED SOURCE	Only as the documents provide.

→ REPAYMENT OF THE FINANCE

If costs, programme or exit assumptions change

01 What changed, and when?

02 What does the updated cost to complete show?

03 Is additional capital required, and from whom?

04 What happens to interest and the debt balance?

05 Which extension, waiver or default provision applies?

06 What is the revised sales or refinancing evidence?

07 Who controls the next action?

08 When will investors receive the next written update?

KEY MESSAGE

A delay is not automatically a default, and an extension or restructure is not automatically a recovery. The documents and the facts determine the position, and a change of plan should come with updated cost, funding and exit information.

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WHY INVESTORS USE FJP

Since 2013, FJP Investment has worked directly with qualifying private investors, introducing selected alternative investment opportunities with clear communication throughout.

SELECTED OPPORTUNITIES

FJP reviews an opportunity's commercial basis and documentation before deciding whether it is prepared to introduce it.

CLEAR INFORMATION

FJP helps investors obtain and navigate the provider's information, understand the broad structure and process, and frame useful questions.

A CONSISTENT CONTACT

Where appropriate, an FJP contact remains a point of contact after the introduction, forwards provider updates and helps maintain communication.

How FJP works with investors

01 UNDERSTAND
Discuss the investor's interests and the areas they wish to explore.

02 PRESENT
Share selected opportunities available to the investor's category.

03 INFORM
Provide the available information and help the investor navigate it.

04 CONNECT
Introduce the investor to the provider for direct questions.

05 SUPPORT
Help maintain communication through the investor journey.

The investor makes the decision, applies and contracts directly with the relevant provider, and pays funds to the recipient specified in the provider's official documentation, never to FJP.

FJP at a glance

2013
ESTABLISHED

£420m+
COMBINED VALUE OF INVESTMENTS INTRODUCED THROUGH FJP INVESTMENT AND FJP DISTRIBUTION

The £420m+ figure is an estimated cumulative gross value of capital introduced through FJP Investment's private-investor activity and the FJP Distribution network. This figure does not represent completed or realised investments.

READY FOR A CONVERSATION?

Speak with FJP Investment about the types of property, development-finance and other opportunity it introduces and the information available for each. Your FJP contact can explain how the introduction process works and what happens next.

Call: +44 20 7183 0343
Email: info@fjpinvestment.co.uk
Visit: www.fjpinvestment.co.uk

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SOURCES AND PUBLICATION INFORMATION

The public sources supporting the marked statements in this guide are listed below. Each title links to the underlying material so readers can review it and check the latest position.

S1 BANK OF ENGLAND
Agents' summary of business conditions – October 2026
Corporate credit conditions, including residential development finance. Published 30 October 2026. Accessed 1 November 2026.

S2 FINANCIAL CONDUCT AUTHORITY
Unregulated loan notes and mini-bonds: don't risk your savings on promises of high returns
Statement on asset-backed claims, security trustees and protection. Published 20 August 2026. Accessed 1 November 2026.

S3 FINANCIAL SERVICES COMPENSATION SCHEME
Investments: what we cover
How protection depends on the firm, activity and product. Accessed 1 November 2026.

S4 HOMES ENGLAND / GOV.UK
Lot 3 – Monitoring surveyor – Initial report
Monitoring scope for Homes England loans; applies to England. Published 10 July 2026. Accessed 1 November 2026.

S5 RICS
Lender's Independent Monitoring Surveyor, 1st edition
Practice information for RICS members. Reissued 5 September 2025. Accessed 1 November 2026.

S6 HM REVENUE & CUSTOMS / GOV.UK
HMRC as a preferential creditor
Policy paper; section 3 sets out the broad order of payment in formal insolvency. Published 30 November 2020. Accessed 1 November 2026.

S7 COMPANIES HOUSE / GOV.UK
Register a charge (mortgage) for a limited company
Charge registration and the 21-day time limit. Last updated 1 February 2026. Accessed 1 November 2026.

S8 HM LAND REGISTRY / GOV.UK
Practice guide 29: registration of legal charges and deeds of variation of charge
Written for conveyancers; applies to England and Wales. Updated 10 August 2026. Accessed 1 November 2026.

Publication

First published November 2026.
Research cut-off: 1 November 2026.
FJP Investment Limited, company number 08577024.

Methodology

Marked statements are supported by primary public material from UK regulators, government bodies, a public lender's published practice and a professional body, each opened and checked on 1 November 2026. General explanations describe common practice; the documents for each opportunity always take precedence. The worked example on page 8 is hypothetical. FJP business information is taken from FJP Investment's own records.

FJP Investment

UNDERSTAND THE PROJECT. FOLLOW THE CAPITAL. EXAMINE THE EXIT.

Explore selected UK property, private-credit and alternative investment opportunities with an established introducer that helps qualifying investors understand the structure, evidence and intended repayment route.

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SELECTED ALTERNATIVE INVESTMENTS FOR QUALIFYING INVESTORS

IMPORTANT INFORMATION

This guide provides general educational information only. Capital is at risk and investments may be illiquid.

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