Bridging Finance BROKER

THE BRIDGING FINANCE BROKER

The Land Bridging Finance Guide

Buying land before or after planning permission, and understanding the finance, the risks and the exit before you commit.

Practical UK guide · England-focused planning references · August 2026

The one question to answer first

How does the bridging loan get repaid if planning takes longer than you expected, or gets refused altogether?

For general information only. Lending criteria, rates, fees, valuations and planning rules all change. This guide isn’t financial, legal, tax, valuation or planning advice.

Land bridging in plain English

Land bridging is short-term secured finance. You use it to buy or hold land while you work towards an exit, and that exit might be getting planning permission and selling the site, or refinancing onto development finance and building it out, or something else you can actually evidence.

The thing to understand first is that land isn't one lending category.

A clean site with planning permission, proper access and a scheme that stacks up is a completely different risk to an unconsented plot whose value depends on a decision nobody's made yet. That difference changes how much you can borrow, how the site gets valued, which lenders will look at it, and how much of your own cash you're going to need.

> **Where to start**
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> Don't start with "what rate can I get?" Start with what you're buying, what it's worth today, what permission exists, what you're proposing to do with it, how much cash you've got, and exactly how the bridge gets repaid.

1. Buying land without planning permission

Can you bridge land with no planning permission on it? Yes, you can. But the lender is lending against what's there today, not against the scheme you've got in your head. The upside might well be real. Until consent is granted, it's still a risk.

Start by asking who actually wants it

People overestimate what land without planning is worth, and the quickest way to get honest about it is to ask who's going to buy it.

I was up a mountain recently and there was a piece of land there. What's that worth to somebody? There's nothing on it and nothing can go on it.

I've got a client who owns stables on a piece of land. Now to somebody with horses, that's worth real money. But you need a buyer who wants land, wants it for horses, and wants it in that particular spot. That's a very small group of people. And a small group of buyers means a low value and a slow sale.

So when you're buying land with no permission, or remortgaging one you already own, start from this: the value is probably not as high as you think it will be.

Why you can’t borrow much against it

- What the land is worth today may be a long way below what you’re hoping it’ll be worth with planning.
- Planning might be refused, or delayed, or granted for something less valuable than you wanted.
- If you have to sell before permission comes through, there aren’t many buyers and there aren’t many lenders who’ll refinance you.
- Access, title, services, contamination, flood risk and ecology can all kill a scheme before it starts.
- You need enough time and enough cash to survive a planning delay, rather than a timetable where everything goes right.

What the market actually does

There are lenders who’ll fund land with no consent on it, but it’s a small group taking a carefully limited risk rather than the whole bridging market.

As a rough shape, expect around 50% loan to value before planning approval, and somewhere around 65% once permission is in place, over terms of up to about eighteen months. Plenty of lenders won’t look at land without consent at all.

Those are indicative ranges rather than an offer, and they move about. What doesn’t move is the principle underneath them. The less certainty there is about what can be built, the less a lender will advance, and the more of your own money you’ll need to find.

What the numbers look like

This is arithmetic rather than a deal, just to show how it behaves.

Say the land is being bought at £500,000 and the lender’s maximum is 50% loan to value. The headline facility is £250,000.

If that 50% is a gross figure, and it usually is, the cash you actually get on day one will be lower once the retained interest and the lender’s fees come out of it. So work from the net advance you need at completion, not the headline percentage.

> **Don’t confuse future value with today’s security**
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> You might be confident that a £500,000 site will be worth £900,000 with planning on it. That doesn’t mean anyone will lend against £900,000 today. The valuation and the lender’s criteria have to support it.

2. Buying land with planning permission

Planning permission takes one big uncertainty off the table. It doesn't take them all off, and "it's got planning" isn't enough on its own.

The lender and the valuer still need to know exactly what's been consented, what conditions are attached to it, what it'll cost to deliver, and whether the scheme actually works commercially.

Outline isn't the same as a finished scheme

Government planning guidance is clear that outline permission establishes the general principles of how a site can be developed, with reserved matters approved later. Reserved matters can cover access, appearance, landscaping, layout and scale.

So a lender needs to know the status of a permission, not just see the word "approved":

- Is it outline or full?
- Are reserved matters still outstanding?
- Are there pre-commencement conditions to discharge?
- When does the permission have to be implemented by?
- Is there a Section 106, CIL, or any other contribution to pay?
- Does what's been consented actually match what you're planning to build?

3. What planning permission changes

Planning changes the risk and it changes the value. It makes the route to development clearer, it opens up more lenders, and it can put a lot on the land value.

But don't assume either the uplift or the loan before you've got them. Both depend on the specific permission, the valuation, and the lender's criteria on the day.

The clearest way to see it is a real one. Section 8 is a plot that was worth £75,000 with no permission and £200,000 with it. Same grass, same boundaries, same postcode.

4. How to research a site before you offer

This is the bit most people skip, and it's the difference between a proposition and a punt.

Planning decisions are public. You can go and look at what your local authority has actually been approving and refusing, and you want to do that before you offer, not after you've exchanged.

What you're looking for:

- What's been approved nearby, and recently. A three-bed house on a residential street is one conversation. A sixteen-storey block of flats on that same street probably isn't going to be accepted, and the record will tell you which one you're proposing.
- What's been refused, and why. The reasons get published. They tell you what the authority actually objects to.
- Whether there's a pattern. One approval is an anecdote. A run of similar approvals is something you can point a lender at.

I had a client who wanted to buy a piece of land in a residential area with no permission on it. He told me he knew he'd be able to get planning on it. Now how did he know that? He'd done a bit of research and a bit of digging, and he'd found out the local authority had been allowing that type of development. That's a good start, and it's a very different conversation to one that starts with a hunch.

And here's why that work isn't optional: the lender's going to do it anyway.

Most of the lenders in this space have a real estate team in house, often people who've been property developers themselves. When your case lands, they go off and form their own view using the same public records you can look at. They're not just going to lend on a piece of land, whether it's valued at a hundred thousand or a million, without deciding for themselves whether permission there is realistic.

That's not an obstacle. It's a free second opinion from people who do this for a living. And if you've done the same work first, you already know what they're going to find.

5. The due diligence that matters

Before you exchange, the finance conversation needs to sit alongside the legal, planning and development work. These are the questions that turn a cheap-looking plot into an expensive problem.

Area	What you need to answer
Title and access	Is the title clean? Have you got a legal right of access? Any easements, restrictions or ransom strips?
Planning	What's the status? What exactly is consented? Any conditions or reserved matters outstanding?
Infrastructure	Can the site realistically connect to water, drainage, power and highways, and what'll that cost?

Area	What you need to answer
Ground and environment	Contamination, abnormal ground, flood risk or ecology that changes the cost or whether you can build at all?
Contributions	Section 106, CIL or anything else payable, and when?
Biodiversity Net Gain	Does BNG apply, and what will it cost or require?
Appraisal	Land cost, professional fees, build costs, finance costs, contingency, GDV, profit?
Exit	If planning or the build slips, how does the bridge get repaid?

Section 106 and CIL

Planning obligations, usually called Section 106 agreements, are legally binding and used to deal with the impact of a development. Government guidance is clear that they run with the land, so they come with the site.

The Community Infrastructure Levy is a separate charge the local authority can apply to new development where they've got a charging schedule in place.

Both of them can make a real dent in the appraisal and in the cash you need, so get them understood before you rely on a GDV or a profit figure.

Biodiversity Net Gain: what changed on 6 August 2026

For development in England, BNG rules affect the scheme and the cost. Qualifying development is generally expected to deliver a 10% biodiversity gain, though there are exemptions.

Three things changed on 6 August 2026 and they're worth knowing:

- A new exemption for small sites. BNG doesn't apply where the site area inside the red line boundary is 0.2 hectares (2,000 square metres) or below. But that's only where there's no impact on any priority habitat. The size on its own isn't enough.
- A new exemption for temporary developments permitted for five years or less.
- The self-build and custom build exemption has gone. If you're building your own home and you thought you were outside BNG, you're not any more.

Don't assume a site's exempt without checking the current rules against the actual application.

Flood risk and contamination

Flood and contamination issues hit the planning, the value and the build cost.

Environment Agency guidance sets out when you need a flood risk assessment, including development in Flood Zones 2 or 3 and some sites in Flood Zone 1. Government planning guidance also says contamination can limit or completely prevent development if it isn't dealt with properly.

6. How lenders look at a land deal

Different lenders have different appetites, but a good proposal always makes the story easy to follow. Your broker should be able to explain the asset, the planning, you, the scheme, the money and the exit without filling any of the gaps with guesses.

- Purchase price and what it's worth today.
- Planning status, the application reference, and the conditions that matter.
- What you're proposing to build and what it'll be worth.
- Build and professional costs, with contingency in them.
- Your experience, and who's on your professional team.
- Your cash going in, and where it's coming from.
- The loan you need, and whether the figure you've been quoted is gross or net.
- The term, against a planning and build timetable that's actually realistic.
- The exit, and a Plan B.

Gross and net matters on land too

The headline loan to value isn't what turns up at your solicitor.

If the facility is capped on a gross basis, the retained interest and the lender's fees sit inside that maximum and come off the day-one advance. So ask for the net advance and the redemption figure, then check you've got enough cash for the purchase, the tax, the legals, the planning costs and a contingency.

7. The finance journey: land to exit

Stage	Typical finance	What it's for
1. Buy or hold the land	Pre-development bridge	Buy the site, get planning moving, finalise the scheme
2. Get an implementable consent	Planning milestone	Confirm the conditions, obligations, appraisal and programme

Stage	Typical finance	What it’s for
3. Build	Development finance	Fund the land debt and the construction, usually in stages
4. Exit	Sale, refinance, or development exit	Repay the facility from sales, or move onto exit finance

Some lenders will take you through all four stages under one roof, which makes the move from land to build a lot smoother than arranging every piece separately. Worth knowing which route you’re on at the start, because a bridge taken without a development finance plan behind it is a bridge with a weak exit.

8. A real deal: the garden plot

This one’s ours and the figures are the real figures.

The situation

A client had a house with a huge garden. The way the house sat, the garden pushed all the way down onto the next street where there were already houses. Looking at it, you could see you’d be able to cut off the end of the garden and build on it.

Separating the land from the house

First the land had to become its own asset. We remortgaged the house on a standard buy to let, and split the title so the end of the garden became a separate plot.

At that point the plot was valued at £75,000, with no planning permission on it at all. That’s the honest value of a piece of land nobody’s been given permission to build on.

Getting the permission

He went with his own money to the local authority, put the planning application in, and did what he needed to do.

It wasn’t a formality. There were lots of rules, ifs, buts and maybes, including planting a set number of trees. If you’ve ever done it you’ll know exactly what I mean.

Planning came back for a six-bed detached house.

What that decision was worth

The plot	Value
Before planning permission	£75,000
After planning permission	£200,000
The uplift	£125,000
What the finished house would be worth	£550,000

Nothing physical changed. Same grass, same boundaries, same postcode. The land was worth £125,000 more because a planning officer signed something.

Funding the build

With permission in place he wanted to build it rather than sell it, and that moves us out of bridging and into development finance. Against the £200,000 land value:

The facility	Amount
Land value with planning	£200,000
Gross initial advance, day one	£65,000
That advance as a share of the land value	about 32%
Net advance on day one, after the fees and 12 months retained interest	£50,610
Build facility, released in tranches	£200,000
What the build cost	£250,000
What the finished house would be worth	£550,000

The day-one money got the build started and the foundations went in. After that it worked in stages. The lender sends a valuer out to check the work’s actually been done, and done to a standard, and only then does the next tranche get released, roughly £50,000 at a time out of the £200,000.

Two things worth pulling out of that

The build facility was £200,000 against a build costing £250,000. You fund the difference. That's not the lender being awkward, that's the point. You put some skin in the game and get the first stage done before anybody releases anything.

The day-one advance was only about a third of the land value, even with permission granted. Land with planning on it is worth a lot more than land without. It's still land until there's a building on it, and lenders price it that way.

The figures above relate to the circumstances and the lending terms available at the time of that transaction, and the terms available to somebody else may be different. Planning outcomes are decided by the local authority and can't be guaranteed by any lender or broker. A valuation uplift after a grant of planning permission is specific to that site and that permission, and shouldn't be assumed.

9. What if planning gets refused or delayed?

This is where a land bridge gets uncomfortable. You still owe the loan even if the planning authority says no. The interest and the costs don't disappear because the planning strategy didn't work.

And think about what the security is at that point. A piece of land that most people don't want, in a market with very few buyers.

What a Plan B might look like

- Revising the scheme and going back in, where your professional advice supports it.
- Appealing the refusal, where that's appropriate and where the term and your cash position can take the timetable.
- Selling the site as it stands.
- Refinancing from somewhere else that doesn't depend on the permission you haven't got.
- Repaying it from other resources, where they genuinely exist and you can evidence them.

> **The dangerous exit**
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> "We'll get planning" is a strategy. It isn't a guaranteed repayment event. The bridge needs enough time on it, and something to fall back on for when the planning process doesn't behave.

10. Before you exchange: the checklist

☐ I know exactly what I'm buying and my solicitor has been through the title.

☐ I've confirmed legal access, and any easements or covenants that matter.

☐ I know whether planning is absent, outline or full, and whether reserved matters or conditions are outstanding.

☐ I've checked when the permission expires or has to be implemented.

☐ I've looked up what this authority has recently approved and refused nearby.

☐ I understand any Section 106, CIL or other obligations that apply.

☐ I've checked whether BNG applies, including the priority habitat point, and budgeted for it.

☐ I've checked flood risk, contamination and anything else abnormal about the site.

☐ I've got realistic build and professional costs, with contingency in them.

☐ I've got evidence for the GDV, not an optimistic asking price.

☐ I know my gross facility AND the net day-one advance.

☐ I've got enough cash for my contribution and everything sitting outside the loan.

☐ The term gives me a realistic planning timetable, with room in it.

☐ I know the development finance or refinance route after planning.

☐ I've got a Plan B if planning is delayed, changed or refused.

☐ I'm not exchanging just because the headline LTV or the rate looked good.

11. Quick answers

Can I get bridging finance on land without planning?

Potentially, yes. There are fewer lenders and you can borrow less, because the planning risk is still sitting there. What it's worth today, the title, the access, your experience and the exit all matter.

Does planning permission increase what I can borrow?

It can open up more lenders and it may well change what the site's worth. It doesn't automatically get you a bigger loan. The permission, the valuation, the scheme and the lender's criteria all have to support it.

Is outline planning enough?

Sometimes, depending on the lender and the exit. Outline leaves reserved matters to be approved later, so you need to know the exact status and what the conditions are.

Can the bridge be repaid by development finance?

Yes, where the planning and the appraisal support a development facility. Work that out before you take the bridge, not at the end of it.

What if planning is refused?

You still have to repay the bridge. That’s exactly why you need time, equity and a Plan B, rather than treating planning as a certainty.

Is the LTV I’ve been quoted gross or net?

Ask. It makes a real difference to the cash you get on completion. Your broker should show you the gross facility, the deductions and retained interest, and the net advance, separately.

Give us a call

If you’re looking at a piece of land, the useful conversation takes about ten minutes and it starts with one question. Have you got planning permission, yes or no?

Either answer is fine. They’re just different conversations.

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Important information

This guide is for general information. It isn’t personalised financial advice, legal advice, tax advice, valuation advice or planning advice.

Bridging finance is short-term secured borrowing and it can be expensive. If a secured loan isn’t repaid in line with its terms, the lender may take enforcement action against the property or any other security you’ve provided.

Rates, fees, loan to values, product structures, planning rules and lender criteria all change. Nothing here is a recommendation of a particular lender or product, and no lending is offered or implied.

Sources

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GOV.UK, Flood risk assessments when applying for planning permission. https://www.gov.uk/guidance/flood-risk-assessments-applying-for-planning-permission

GOV.UK, Land affected by contamination. https://www.gov.uk/guidance/land-affected-by-contamination

HM Land Registry, Easements (Practice Guide 62). https://www.gov.uk/government/publications/easements-pg62

Planning references accessed 17 August 2026.

Talk it through with a broker. Every deal in this guide turns on detail a document cannot see: the title, the valuation, the exit. If you want a real number on a real deal, call 0330 133 4442 or email support@bridgingfinancebroker.co.uk.

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