

Land Acquisition Advantage

Secure the land. Plan the next financing stage.

ELIGIBLE LAND ACQUISITION | PROJECT-SPECIFIC REVIEW

Who it is for

Investors seeking a dedicated loan for an eligible land acquisition before the construction-financing package is ready. Land Acquisition Advantage evaluates the parcel, borrower and repayment strategy as an initial financing stage. Acquiring the site does not approve a later construction loan or guarantee that the intended project can be built.

Ideal parcels and transactions

A proposed acquisition with a clear investment purpose, documented purchase terms and a realistic plan for the next stage. Explain the parcel's current condition, intended use, access and entitlement status. Disclose whether the site is raw, improved, subdivided or subject to pending approvals; eligibility for each condition must be confirmed rather than inferred from the program name.

Credit, experience and liquidity

The flyer describes project-based loan capacity, property-based leverage, credit review and cash-flow qualification. It publishes no numeric loan maximum, leverage ceiling, minimum credit score or universal coverage ratio. Explain sponsor experience, existing obligations and cash available after closing. Separate acquisition funds, closing costs, holding expenses, due-diligence costs and your contingency rather than treating the down payment as the full cash requirement.

BRING THE COMPLETE LAND SCENARIO

Parcel + purchase price + land basis + intended use + exit

Subject to underwriting. Not a commitment to lend. Images are AI-generated and illustrative.

Land Acquisition Advantage | Planning guide

Leverage, land basis and valuation

Identify purchase price, accepted current value, existing debt and the amount of financing requested. Ask which valuation basis and transaction limits govern the advance. A future completed-building value is different from the value of the land today. Entitlement work or projected development profit does not automatically create recognized equity. Obtain a sources-and-uses schedule showing loan proceeds, cash to close, fees and any funds retained as reserves. For land already owned, provide acquisition date, basis and improvements and confirm whether the proposed transaction is eligible.

Repayment and cash-flow review

Explain the actual repayment source and the funds that will carry the parcel until a sale, refinance or approved construction takeout. A vacant parcel should not be presented as a stabilized income-producing property. Disclose any current leases or other income separately. Ask how borrower resources, property income where present and the proposed exit are evaluated. No universal land DSCR test or income-documentation waiver is established by the flyer.

Funding, site work and the next stage

Confirm what the land loan can fund at closing and which costs remain your responsibility. Do not assume the approved loan includes horizontal improvements, demolition, utility work or vertical construction. If work is planned, provide the scope and ask whether separate development or construction financing is required. The later loan needs its own budget, builder, permit, valuation and borrower review. Plan for a gap between the land purchase and a construction closing instead of assuming both facilities will be available on the same day.

Property, location and due diligence

Review parcel boundaries, legal access, zoning, permitted use, surveys, easements, utilities and any relevant environmental or site-condition issues. Confirm who is responsible for investigations and approvals and how findings affect your purchase obligations. Disclose flood exposure, unusual topography, private access and utility limitations early. Verify state availability and acceptable collateral before relying on a closing date. A loan approval does not itself establish development rights or replace independent property investigations.

Holding period, exits and contingencies

Model taxes, insurance where applicable, debt service, maintenance and professional costs through a realistic holding period. Stress delayed approvals, a lower resale value and a construction takeout that is smaller or later than expected. Ask about maturity, guarantees, prepayment and extension conditions and identify funds available if the timeline slips. A future sale, extension or construction refinance is not guaranteed. An initial acquisition loan should fit a repayment plan that can be explained before the purchase closes.

Documentation to prepare

Start with the purchase contract, address or parcel/APN identifiers, acreage, parcel map, price, requested loan, target closing date and intended use. Add zoning and entitlement information, available surveys or reports, access and utility details, current photos and any existing debt. Provide an ownership/entity overview, experience summary, source-of-funds plan and a timeline for the intended exit. Ask for the selected route’s financial and credit checklist. Send sensitive identity and account records through Karpata’s secure process rather than placing them in a public inquiry.

Limitations and questions to resolve

All terms require borrower, credit, property and program approval and may not apply together. Confirm eligible loan purpose, accepted land condition, valuation basis, advance, fees, reserves, guarantees and repayment terms in writing. The flyer supports acquisition before construction readiness; it does not establish a universal development facility or a promise of construction approval. This is eligible business-purpose real estate financing, not a consumer home mortgage. Final approved documents govern the transaction.

LET’S REVIEW YOUR NEXT LAND ACQUISITION

Request a quote | KarpataFinance.com | 480-846-1001

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