GUIDE

Commercial Finance Guide

Commercial finance covers everything from a small business overdraft to a multi-million dollar development. Here are the main categories and how they're assessed.

Commercial property finance

Loans to buy or refinance retail, office, industrial or mixed-use property. LVRs are typically 65–75%, terms are shorter than residential (often 3–5 year reviews on 15–25 year amortisation), and pricing depends heavily on asset quality, tenant strength and location.

Business lending

Working capital, cashflow, trade and equipment finance, overdrafts and secured business loans. Assessment is driven by trading history, cashflow, tax returns and, where relevant, contracted or recurring income.

Development finance

Funding for small residential subdivisions through to larger apartment or mixed-use developments. Lenders look at feasibility, pre-sales (or debt-cover), builder capacity, planning approvals and the developer's track record. Both bank and non-bank options are available.

Loan structures

- Term loans — principal & interest or interest-only
- Line of credit / overdraft — flexible working capital
- Lease doc / low-doc — for landlords with strong lease income
- Construction / development facilities — progress-drawn
- Bridging finance — short-term, asset-backed

Security requirements

Security is usually the commercial property itself, plus personal or director guarantees. Cross-security with residential property may be used to sharpen pricing or extend LVR. GST is a common consideration on commercial contracts — always coordinate with your accountant.

Ready to talk it through? Book a free, no-obligation consultation with Gemma at www.topsoulfinance.com.au or call 0438 285 413.