

When it comes to funding a refurbishment project in the UK, the key question that immediately comes to mind is **“What is the exit?”** Understanding the exit strategy will largely dictate whether you opt for development finance or a bridging loan. Both options come with their pros and cons, but one might suit your project better than the other depending on your timescale, property type, and financing needs.

With over 11 years as a property finance analyst working alongside brokers across the UK, I’ve sat on enough lender calls and reviewed enough submissions to see where the common pitfalls lie. Hidden fees, vague 'from' rates, and overpromised completion times are just the start. So let’s strip it back and get straight to the practical differences, lender accessibility, and digital tools that truly matter when choosing between development finance and bridging finance for your refurbishment project.

Understanding the Basics: Development Finance vs Bridging Finance

What is Development Finance?

Development finance is a specialist type of funding designed primarily for property developers working on larger projects, including new builds or substantial refurbishments. This loan type is typically released in stages aligned with development milestones (e.g. purchase, planning, construction stages). It is often long-term compared to bridging loans, with interest charged on drawn funds only.

What is a Bridging Loan?

In propertyinvestortoday.co.uk contrast, bridging loans are short-term, often interest-only loans, designed to bridge a finance gap quickly. They’re typically used for property purchases or urgent refinancing and work well for refurb projects needing fast cash injection before longer-term finance kicks in.

Key Factors to Consider When Funding a Refurbishment Project

1. Speed of Completion

If speed is critical – say you want to secure a deal and get on-site immediately – bridging loans often win. They typically complete within 2 to 4 weeks, sometimes faster, depending on lender panel availability and paperwork readiness.

Development finance can take longer to approve and disburse capital since release is milestone-based, which can affect cashflow if the refurbishment timeline is tight.

2. Lender Panel Size and Access

- **KIS Finance** offers a broad lender panel with many exclusive bridging loan deals. Brokers like how their access to multiple providers increases chances of a quick, competitive offer.
- **Fluent Money** stands out with a tech-forward approach, featuring a large panel of lenders accessible through their fintech platform, *MyFluent*. This allows brokers and borrowers to track application progress in real time, helping manage expectations and reduce guesswork.
- **The Loans Engine** also offers wide lender coverage but tends to specialise more in bridging finance with competitive rates and speedy decisions.

3. Transparent Pricing and Fees

Beware of “from” rates without context – they only tell part of the story and often exclude arrangement fees, legal fees, or early repayment charges.

KIS Finance is particularly transparent; their website features a dedicated **bridging loans calculator** that breaks down the total cost including fees and interest over the loan term. This tool helps brokers, developers, and landlords get a full picture before committing.

Fluent Money’s MyFluent platform also provides an interactive dashboard where borrowers can see ongoing costs, projections, and drawdown schedules clearly, mitigating surprises and hidden fees.

4. Digital Tools For Tracking and Calculations

The world’s moving fast, and property finance is no exception. Digital tools that give transparency, speed, and control can be game-changing, especially in bridging finance where timing is everything.

- **KIS Finance Bridging Loans Calculator:** An online tool that quickly estimates total borrowing costs based on loan amount, term, and fees, making it easier to compare deals across multiple lenders.
- **MyFluent Platform (Fluent Money):** A fintech innovation that offers an end-to-end digital experience, from application to completion, with real-time tracking and document uploads, plus access to a broad lender panel.

When to Choose Development Finance for Your Refurbishment Project

Development finance suits refurbishment projects where:

1. You have a clearly defined exit, usually selling once works finish or remortgaging to a longer-term landlord mortgage.
2. The project is substantial in scope or will take longer than 6-12 months.
3. You prefer staged drawdowns aligned with works completion phases, enabling cost control and better cashflow management.
4. You want a lower cost of finance over time, as interest is charged only on drawn funds.

Development finance is less likely to suit projects needing rapid purchase funding or where borrowing is needed for a short bridge period – that’s where bridging loans shine.

When Bridging Loans Are the Best Practices for Fit

Bridging loans are usually preferable when you need:

1. Speedy completion – deals can be done in weeks rather than months.
2. Quick access to cash to secure a refurbishment property purchase or to cover temporary cashflow shortfalls.
3. A short-term funding solution (typically 3-12 months) before refinancing into a development loan or mortgage.
4. Greater flexibility in the exit, such as selling post-refurb without having planned a longer-term finance exit upfront.

Case Study: Using KIS Finance and Fluent Money for Refurb Projects

Imagine a South West-based landlord looking to refurb an end-of-terrace for resale within 9 months. They get in touch with brokers who submit their case via **KIS Finance's lender panel**. Using the *KIS Finance bridging loans calculator*, they quickly size up costs and see it fits their short-term funding need. The speed to completion and clear fee breakdown reassures them.

Simultaneously, another developer opts for development finance via **Fluent Money**, leveraging the *MyFluent* platform to track their milestone drawdowns and legal updates digitally. Their project is larger and longer-term — the structured release of funds matches refurbishment phases well, and the transparent dashboard keeps everyone aligned.



Summary Table: Development Finance vs Bridging Loan for Refurbishment Finance UK

Criteria	Development Finance	Bridging Loan	Typical Loan Term	12–36 months	1–12 months (usually shorter)
Speed of Completion	Several weeks to months	2-4 weeks (often faster)	Interest Charged	On Drawn funds only	Full loan amount from day 1
Lender Panel Access	Smaller, specialist development lenders	Wide panels, incl. KIS Finance & The Loans Engine	Fee Transparency	Moderate, varies by lender	Higher risk of hidden fees without calculator
Best Use Case	Large refurb projects with clear exit	Quick purchase/refurb funding & short-term bridging	Digital Tools	Platform use growing but varied	KIS Finance calculator & Fluent Money MyFluent platform

Final Thoughts – What Is the Exit and How Fast Do You Need Cash?

Always start by clarifying your exit strategy. If you plan to sell or refinance post-refurb within a known timeframe, and your project requires staged spending, development finance is probably the way to go.

But if timing is tight, and you need a fast turnaround with access to a broad lender panel offering competitive rates, a bridging loan – especially arranged via platforms like KIS Finance or Fluent Money – will often suit better.

Leverage digital tools such as the **KIS Finance bridging loans calculator** or **Fluent Money's MyFluent platform** to demystify costs and keep your project funding on track. As always, insist on transparent fees upfront and realistic completion timelines.



When property project funding is lined up with clarity and control, your refurbishment stands a far stronger chance of success.