LET'S TALK PRIVATE

MONEY

GETTING THE FUNDS YOU NEED TO LEVERGE YOUR REAL ESTATE INVESTMENT

COMPLIMENTARY E-BOOK FOR TODAY'S INVESTOR

THE PLAYBOOK

THE 2025 REAL ESTATE INVESTOR'S FUNDING PLAYBOOK: FAST -TRACK LOANS FOR FLIPS, RENTALS & NEW CONSTRUCTION

How Smart Contractors & Builders Are Getting Funded in 7 Days or Less.

Inside this e-book you'll find:

www.harbourgroupcapital.com

CHAPTER 1

THE 2025 REAL ESTATE LENDING LANDSCAPE

The real estate investment world in 2025 is rapidly evolving. Traditional lending options—once the go-to for builders, contractors, and fix-and-flip investors—have become increasingly difficult to navigate.

Rising interest rates, tighter underwriting standards, and prolonged approval timelines have created a bottleneck for those who need fast, flexible financing.

For investors and builders who don't have time to wait 60–90 days for a bank to greenlight a project, private money lending is filling the gap with speed, accessibility, and reliability.

THE TRADITIONAL LENDING SLOWDOWN

In 2025, the federal interest rate remains elevated following several years of monetary tightening.

As a result, traditional banks have become more cautious with their real estate portfolios, especially in sectors considered

high-risk like fix-and-flip properties or early-stage new construction. These institutional lenders demand extensive documentation, high credit scores, and large down payments. Even for seasoned investors, accessing capital can feel like walking through molasses.

This financing friction is slowing down opportunity. In a hot market, where timing can make or break a deal, investors need capital that moves as fast as the market does. That’s where private money lending—sometimes referred to as hard money—steps in to empower savvy real estate players.

WHY PRIVATE MONEY IS BOOMING IN 2025

Builders and contractors aren’t waiting around for banks anymore. They’re turning to private lenders like Harbour Group Capital because they know speed, simplicity, and flexibility are key to winning deals in today’s market.

With loan approvals in as little as 24–72 hours and funding in just days—not weeks or months—private money allows investors to seize opportunities others miss.
This shift is especially valuable in a lending environment where equity-driven deals, off-market properties, and fast-paced bidding wars are common.

Private lenders typically evaluate deals based on asset value and borrower experience, not just W-2 income or tax returns. For entrepreneurial investors and construction professionals, this opens doors to funding that fits their world.

HOT MARKETS FOR REAL ESTATE INVESTMENT IN 2025

As of mid-2025, several regions stand out as particularly active for real estate investment:

- **Florida and Texas:** High population growth, business-friendly climates, and consistent demand for rental and owner-occupied housing make these states top-tier for fix-and-flip and build-to-rent strategies.

- **Carolinas and Georgia**: These Southeastern states continue to attract builders and developers due to affordability, job growth, and infrastructure investments.

- **Midwest Metros:** Cities like Columbus, Indianapolis, and Kansas City offer strong cash flow opportunities and are less exposed to pricing volatility.

California Rebuild: Opportunity or Overload?
California presents a complex picture.

After years of wildfires, regulatory overhaul, and housing shortages, 2025 has seen a modest uptick in rebuild initiatives and new construction proposals. But challenges remain: zoning delays, construction costs, and strict building codes make projects slower and riskier.

For experienced builders with access to private capital, California can still offer high upside. However, it's not the easiest place for new investors to break ground.

THE TAKEAWAY

If you're a contractor, investor, or builder looking to scale your portfolio or take on your next big project in 2025, private money lending could be the most strategic tool in your arsenal.

With fast approvals, flexible terms, and a relationship-first approach, lenders like Harbour Group Capital are helping real estate professionals across the U.S.—excluding Minnesota, North Dakota, South Dakota, Vermont, Utah, and West Virginia—capitalize on today's opportunities before they disappear.

CHAPTER 2

UNDERSTANDING PRIVATE MONEY LOAN TYPES

Private money lending isn't one-size-fits-all. In fact, its flexibility is one of the key reasons investors turn to it. Depending on your real estate goals—whether it's flipping a distressed property, building new construction, or holding a multi-family rental—there's a loan type designed to match your timeline and project needs.

1. Fix and Flip Loans

These are short-term loans designed specifically for investors purchasing properties with the intent to renovate and resell quickly. Typical terms range from 6 to 18 months.

Benefits:

- Fast approval and funding (often within 3–7 days)
- Based on ARV (After Repair Value), allowing higher loan amounts
- Interest-only payments during the term

Best for: Experienced flippers or contractors who need working capital to purchase, rehab, and sell quickly.

2. Rental Property Loans (DSCR Loans)
These loans are tailored for buy-and-hold investors purchasing 1–4 family properties for rental income. DSCR (Debt Service Coverage Ratio) loans qualify borrowers based on property income, not personal income.

Benefits:

- No personal income verification required
- Up to 30-year terms with interest-only or amortized options
- Ideal for portfolio growth and cash flow

Best for: Investors scaling a rental portfolio or refinancing existing assets.

3. New Construction Loans
Used by builders and developers constructing residential properties from the ground up. Private construction loans typically release funds in stages (draws) as building milestones are completed.

Benefits:

- Fund land acquisition and vertical construction
- Flexible draw schedules
- Interest-only during build period

Best for: Contractors and developers with shovel-ready projects who want to avoid bank delays.

4. Bridge Loans
Bridge loans provide short-term capital to "bridge" a financial gap, such as funding a purchase before a current property is sold, or securing a new project before long-term financing is in place.

Benefits:

- Fast funding for time-sensitive deals
- Ideal for competitive offers or transitional properties
- Can be used to stabilize an asset before refinance

Best for: Investors needing quick liquidity or pursuing multiple deals simultaneously.

CHOOSING THE RIGHT LOAN FOR YOUR STRATEGY

The best loan depends on your investment strategy, experience level, and timeline. A private lender like Harbour Group Capital can walk you through the right option based on your goals—and because they lend across most U.S. states (excluding MN, ND, SD, VT, UT, and WV), you're not limited by geography.

Up next, we'll show you how the loan process works—from pre-qualification through funding—so you know exactly what to expect and how to prepare.

CHAPTER 3

THE PRIVATE MONEY LENDING PROCESS - FROM APPLICATION TO FUNDING

One of the biggest advantages of working with a private money lender is the streamlined loan process. Unlike banks that may require months of paperwork, underwriting, and committee approvals, private lenders are nimble. This speed is critical for real estate investors, especially in competitive markets where time is money.

Here’s what you can expect when securing a private loan with a company like Harbour Group Capital:

Step 1: Initial Consult & Loan Scenario Review

The process typically begins with a phone call or email. Investors briefly describe the project, including:

- Property location and type
- Purchase price and estimated rehab costs (if applicable)
- Exit strategy (flip, rent, refinance, etc.)
- Experience level

This is where private lenders evaluate whether the deal aligns with their risk tolerance and lending criteria.

If it looks like a fit, the borrower receives a preliminary term sheet or quote.

Step 2: Pre-Qualification and Documentation
After the initial review, the borrower submits key documents:

- Purchase contract (if available)
- Rehab budget or construction scope
- Project timeline
- Borrower ID and business entity documentation

Some lenders may request a credit report or proof of funds for down payment. However, private lenders place more emphasis on the deal and the property itself than a borrower's personal financials.

Step 3: Underwriting and Valuation
The lender begins formal underwriting, which includes:

- Property valuation (via BPO or appraisal)
- Title review
- Rehab or construction feasibility analysis

For fix and flip or new construction loans, the loan amount is often based on ARV (After Repair Value) or LTC (Loan-to-Cost). This allows borrowers to get more leverage than traditional loans would offer.

Step 4: Commitment and Closing Coordination

Once the valuation and underwriting are complete, the lender issues a formal loan commitment. This includes final loan terms, closing conditions, and estimated timelines.

The lender then works with title, escrow, and attorneys (if needed) to prepare for funding.

In many cases, private loans can close within 5–10 business days, and faster if needed.

Step 5: Funding

Your paragraph text

At closing, funds are wired directly to the title company. For construction or rehab loans, initial funds may be disbursed for the purchase, and remaining draws are released as work is completed and inspected.

WHY INVESTORS LOVE THIS PROCESS

- **Speed:** You can go from inquiry to funding in under two weeks.
- **Simplicity:** No income verification, tax returns, or endless underwriting.
- **Support:** Direct access to your loan consultant throughout the process.

Pro Tips to Speed Up Your Deal

- Have your rehab budget or scope of work prepared in advance
- Be transparent about your exit strategy and experience
- Work with a responsive title company that's familiar with investor closings

When you're ready to move fast and don't want to miss a deal, this streamlined process puts you in control.

Whether you're building from the ground up or flipping your fifth property this year, having a trusted lender by your side makes all the difference.

CHAPTER 4

REAL WORLD SUCCESS STORIES - HW BUILDERS AND INVESTORS WIN WITH PRIVATE LENDING

The best way to understand the power of private money lending is through real-world stories. At Harbour Group Capital, we've worked with hundreds of real estate investors, contractors, and builders across the country—each with their own unique goals, challenges, and victories. These case studies highlight how the right financing at the right time can transform a project's outcome.

CASE STUDY 1: THE LONG ISLAND FIX & FLIP THAT CLOSED IN 7 DAYS

The Investor: A first-time flipper with a construction background.

The Deal: A single-family property in Suffolk County, NY, purchased for $315,000 with a $65,000 rehab budget.

The Challenge: Competing buyers and a seller who needed a quick, cash-close.

The Solution: The investor contacted Harbour Group Capital, was pre-approved within 48 hours, and closed in 7 days using a fix-and-flip loan based on After Repair Value

(ARV). Six months later, the renovated home sold for $525,000—netting the investor over $90,000 in profit after expenses.

CASE STUDY 2: GROUND UP DUPLEX IN GEORGIA WITH DRAW-BASED CONSTRUCTION LOAN

The Builder: A licensed contractor with several rental units but no prior new construction.

The Deal: Vacant lot in Macon, GA, acquired for $28,000. New construction duplex projected to cost $185,000.

The Challenge: Bank wouldn't approve funding without two years of building experience.

The Solution: Harbour Group Capital funded the entire project with a draw-based new construction loan. The builder completed construction on time and under budget. Once stabilized, the duplex appraised for $390,000 and was refinanced into a 30-year DSCR loan for long-term cash flow.

CASE STUDY 3: BRIDGE LOAN FOR A FLORIDA INVESTOR BETWEEN SALES

The Investor: A portfolio investor in Miami with multiple properties under contract.

The Deal: Needed to secure a new property while waiting for proceeds from a sale.

The Challenge: Tight deadline—only 8 days before closing.

The Solution: A bridge loan gave the investor $460,000 in fast capital to close the new deal, using the pending sale as exit collateral. Once the original property sold, the bridge loan was paid off in full. No missed opportunity, no delays.

WHAT THESE STORIES REVEAL

Whether you are:

- New to flipping
- Looking to scale with new construction
- Expanding a rental portfolio
- Navigating short-term liquidity gaps

Private money lending meets you where you are.

These stories are not the exception—they're what happens every day when real estate professionals have fast, flexible financing behind them.

With 24 years of experience and a national footprint (excluding MN, ND, SD, VT, UT, and WV), Harbour Group Capital has the tools, team, and track record to help you move forward.

CHAPTER 5

SPOTTING A WINNING DEAL: HOW SAVVY INVESTORS EVALUATE OPPORTUNITIES

Private lending is only part of the success equation—knowing how to spot a high-potential investment is just as critical. Whether you're flipping homes, building new construction, or acquiring rental properties, savvy investors follow a methodical process to assess risk, ROI, and deal potential.

1. Know Your Numbers: The Foundations of Deal Analysis

Successful investors rely on metrics, not gut instinct. Before you even contact a lender, you should know:

- **ARV (After Repair Value):** The expected market value after improvements.
- **LTV (Loan-to-Value):** The loan amount compared to purchase or ARV.
- **LTC (Loan-to-Cost):** Used in construction, comparing loan amount to total build cost.
- **ROI (Return on Investment):** Your profit after all costs.

Use conservative comps and realistic timelines. It's better to be surprised by profits than by problems.

2. Analyze the Market, Not Just the Property

Great deals aren't just about the house—they're about the neighborhood and local demand.

Questions to ask:

- Is the area appreciating or declining?
- Are buyers looking for turnkey homes or fixers?
- What's the rental demand and average rent per bedroom?
- Are there new zoning laws, developments, or tax changes on the horizon?

Hot markets in 2025 include:

- Suburban zones near major metros like Charlotte, Raleigh, Tampa, and Phoenix
- Build-to-rent neighborhoods in the Southeast and Midwest
- Redevelopment corridors in post-disaster regions like certain California counties (with caution)

3. Focus on Your Exit Strategy

Your exit strategy should shape every decision:

- **Fix and Flip:** Short timeline, heavy focus on renovation speed and buyer demand

- **Rental Hold:** Emphasize cash flow and long-term appreciation.
- **Bridge to Refinance:** Ensure your end financing is secured or likely.

Always ask: "What if I need to pivot?" Have a backup exit strategy in case the market shifts or timelines change.

4. Work Backward from the Funding

Knowing what your lender will and won't finance is crucial. Private lenders may fund:

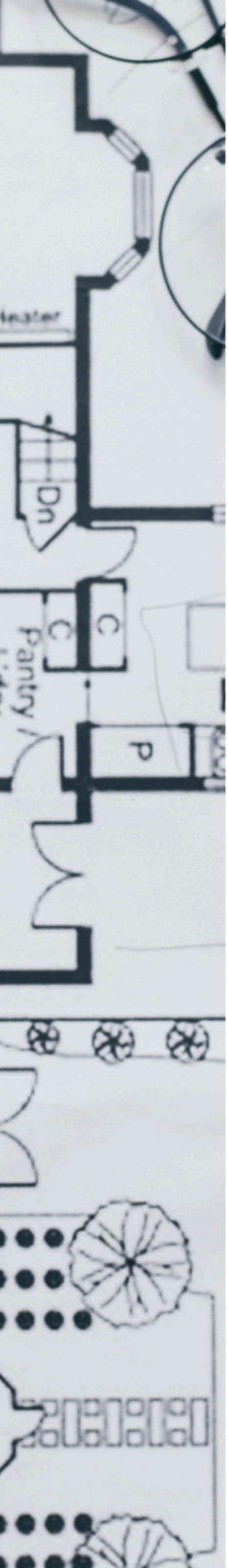
- Purchase + rehab (up to 70–75% ARV)
- Ground-up construction (up to 90% LTC)
- Bridge loans (based on cross-collateralization or appraised value)

Talk to your lender before making an offer so you understand what your out-of-pocket cost will be and how much leverage you can use.

5. Common Red Flags to Avoid

- Title issues or unclear ownership
- Inflated comps or overly optimistic ARV
- Underestimated rehab budgets
- Sketchy contractors or partners
- Areas with high foreclosure or vacancy rates

The most successful investors walk away from more deals than they close. If it doesn't meet your risk tolerance or margin goals, wait for the next one.



CHAPTER 6

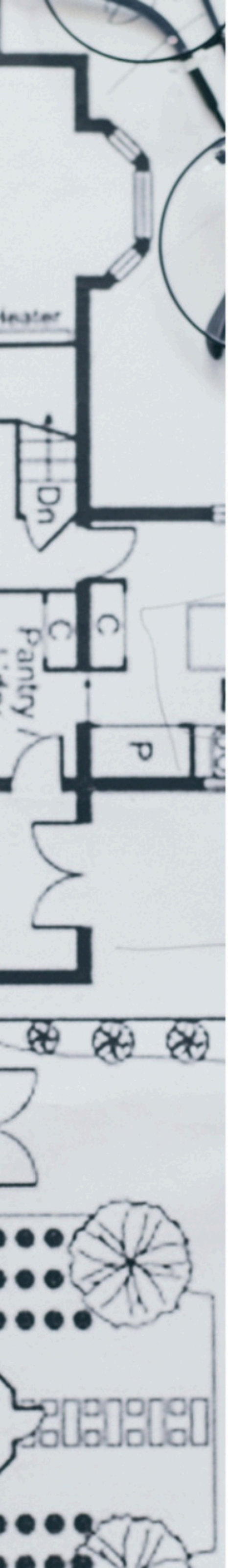
BORROWER FAQ: WHAT INVESTORS WANT TO KNOW ABOUT PRIVATE LENDING

Navigating the world of private money lending can feel like learning a new language.

That’s why we’ve compiled the most frequently asked questions real estate investors ask before, during, and after securing a loan. If you’re new to private lending—or just want to sharpen your knowledge—this chapter is for you.

Q1: How is a private money loan different from a bank loan?
Private loans are asset-based. That means decisions are made based on the value of the property and the strength of the deal—not your income, credit score, or employment history. You’ll often close in a fraction of the time with fewer hoops to jump through.

Q2: Do I need to have perfect credit?
No. Many borrowers have less-than-perfect credit or simply don’t want to go through the traditional verification process. While some lenders will run credit, it’s usually for identity and risk mitigation—not for approval decisions.



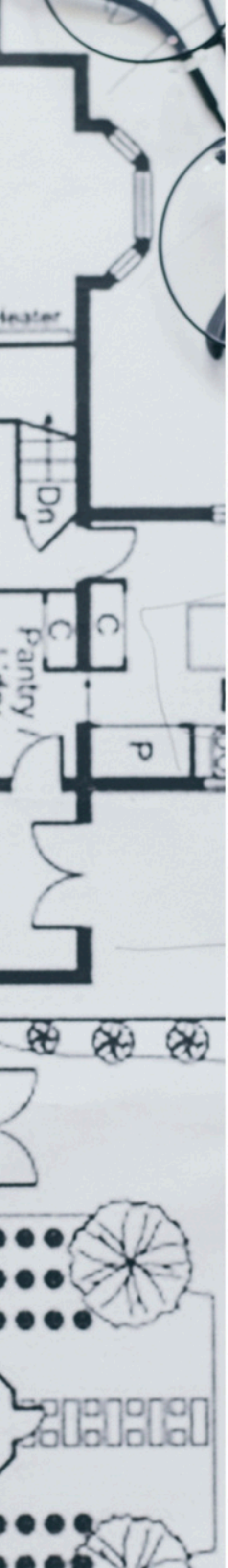
Q3: How fast can I close a loan?
At Harbour Group Capital, we can close in as little as 5–10 business days depending on the deal's complexity and borrower responsiveness. Speed is one of the main advantages of private lending.

Q4: How much money do I need to bring to the table?
That depends on the deal structure and the loan-to-value or loan-to-cost ratio. Most borrowers should expect to bring at least 10–20% of the total project cost, plus closing costs and interest reserves.

Q5: What types of properties qualify?
We fund:

- Fix and flip projects (1–4 unit residential)
- Ground-up new construction
- Rental properties
- Small multifamily (up to 4 units)
- Bridge loans for quick acquisitions
- We lend in most states except MN, ND, SD, VT, UT, and WV.

Q6: How are rehab or construction funds released?
If your loan includes rehab or construction funds, they are typically released in draws. After work is completed, an inspection confirms progress, and the next draw is issued.



Q7: What are the interest rates and terms like?

Rates typically range from 9–12% depending on the loan type, project risk, and borrower experience. Loan terms are generally 6–18 months, though longer terms may be available for rentals or special projects.

Q8: Can I refinance out of the private loan?

Yes. In fact, many investors use our loans as a bridge to a long-term rental loan or conventional refi. This is especially common for BRRRR (Buy, Rehab, Rent, Refinance, Repeat) strategies.

Q9: Do you fund LLCs or personal borrowers?

We primarily lend to business entities such as LLCs or corporations, which helps investors separate personal liability and build business credit.

Q10: How do I get started?

The first step is a quick consultation with a loan consultant. We'll walk through your deal and let you know in minutes if it's a fit. No commitment, just clarity.

CHAPTER 7

CONCLUSION: PREPARING YOUR PROPOSAL & AVOIDING COMMON MISTAKES

Before you submit your next project to a private lender, it pays to be prepared. Here's how to set yourself up for a fast approval and smooth process:

Final Steps to Prepare Your Proposal

- Create a clear project summary with property details, scope of work, and your exit strategy.
- Include accurate numbers such as purchase price, rehab estimate, ARV, and timelines.
- Provide supporting documents like purchase agreements, contractor bids, and comps.
- Structure your entity properly, as most lenders will only fund businesses like LLCs or corporations.

Common Mistakes That Can Derail a Deal

- Overestimating the ARV without solid comps
- Underestimating rehab costs or relying on vague estimates
- Missing paperwork or disorganized documentation

- Lack of experience or a weak team without a strong contractor or project manager
- Unrealistic timelines that don't account for weather, permits, or delays

At Harbour Group Capital, we're here to support you with honest feedback, efficient processes, and flexible funding solutions.

Whether this is your first deal or your fiftieth, we treat each loan with care and precision—because we know every property is a stepping stone in your long-term investment journey.

LET'S TALK ABOUT YOUR NEXT DEAL

The right financing partner makes all the difference. If you're ready to move forward, get pre-approved, or just want to explore your options, we're here for you.

Call us today at 516.512.7270
Visit us at harbourgroupcapital.com
Email us at:
info@harbourgroupcapital.com

Let's build something great together.

READY TO GET YOUR

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