



The steps to building your new home.

Construction FAQ's

When will the customer be required to contribute funds for the land and construction?

If a land and construction loan are taking place together, the full contribution for the entire project is required to be made at land settlement.

E.g.
Land Purchase \$150,000
Build \$250,000
= full project \$400,000
LVR is 80%
\$80,000 + stamp duty and all costs are required to be paid at land settlement.

If a land is to settle prior to a construction proceeding (fixed price contract not yet obtained or signed), then the contribution for the land purchase only will be required at the land settlement.

E.g.
Land Purchase \$150,000
Build \$TBA
LVR is 80%
\$30,000 + stamp duty and all costs are required to be paid at land settlement.

If land and construction are taking place together and the applicants are eligible for FHOG, then the full contribution for the entire project minus the eligible FHOG amount is required at land settlement.

E.g.
Land Purchase \$150,000
Build \$250,000
= Full project \$400,000
LVR is 80%
FHOG eligible \$10,000
\$70,000 (deposit of \$80,000 – FHOG eligible \$10,000) + all costs are required to be paid at settlement.

How is FHOG applied for and when will it be paid?

Bank Australia will apply for FHOG for all applicants, a completed and signed application along with copies of any required ID will need to be forwarded with the supporting documents, to brokersupport@bankaust.com.au in order for these to be applied for.

FHOG will not be paid until the slab has been laid on the property and the base stage is complete – the reason for this is that the revenue offices will not allow for these funds to be released until a build has started on a block of land. In no instances will a FHOG be released prior to the base stage invoice being received and progress inspection being complete.

What happens if there is a variation to a fixed price build contract?

Any variation that is applied to a build outside of the fixed price build contract will need to be paid by the applicants at the time these additional funds are requested.

E.g. Applicants have chosen to upgrade their benchtop which will incur an additional charge of \$1,500. This variation is applied and requested from the builder at fixing stage. At this time we will request the applicant to either pay the builder these additional funds and provide a receipt or an updated invoice, or request the funds are placed in a Bank Australia account to be sent to the builder with the remainder of the stage payment. The payment will not be made to the builder until this additional amount has been paid.

When will a progress inspection be required?

With every construction, a progress inspection will be required as a minimum at base stage, and completion of the property.

Additional progress valuations may be required if the approved LVR will be exceeded at any time, or if concerns exist as to the quality or the time frame of the build.

Visit us at your nearest branch
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