

Equity Lenders Construction Lending Guide

[This product is not available to brokers](#)

EquityLenders

originator, mortgage manager and mortgage broker

Effective as at March 2020

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Loan Details

	Non-code Construction Loan - Product 55
Loan Purpose	Develop, Purchase, Refinance, Refurbish & Equity Release
Loan Amount	\$200,000 to \$5,000,000 (typically \$3,000,000)
Interest Rate Range	from 8% p.a to 8.5% p.a. Reduced by 1% when not in construction phase

Policy Guidelines

LVR	up to 55% of end value & up to 40% for stand-alone vacant land
Loan Term	up to 18-months. Includes construction and holding while awaiting sale(s)
Further Term Available?	Yes. Up-to 12 months. Funder fee is payable if approved
Interest Only	Yes
Interest Servicing	Capitalised within the LVR till completion then monthly or prepaid
Pre-sales	Generally not required
Owner Builders?	No. Corporate borrowers developing for commercial purposes only*
Security Locations	Sydney, Central Coast & Newcastle

*Borrower must be an established building company with a strong track record of similar commercial projects

Credit History

Defaults & Judgements?	Yes
Mortgage Arrears?	Yes
Bankruptcy (incl Part IX & X)	Discharged

Exit Strategy

Option 1	Sale of asset
Option 2	Refinance of loan on completion

Security Guide

Loan Costs (+ GST)

Acceptable Standard Security	Residential	Application Fee	1% of gross loan
	Land Subdivision	Funder Fee	0.75-1% of gross loan
	Retail	Funder Rollover Fee	1% for 12-months
	Offices	Legal Fee	To be quoted
	Industrial Units	Valuation Fee(s)	At cost
	Factories	Q.S Fee	At cost if required
	Warehouses & Workshops	Drawdown Fee(s)	Fr \$200 & incl in loan
	Mixed Residential & Commercial	Discharge Fee	\$300 per security
Unacceptable Security	Specialised & Rural	Prepaid Fee(s) Apply	As per loan offer

Supporting Docs for all applications

Full details of proposed borrowing company including shareholder structure, directors details and other associated entities, including family tree of companies in-group (if applicable)

Borrowers, Guarantors Assets & Liabilities

Copies of Plans, Approvals, Permits, Building Contract(s) and any Professional Reports completed for the development

Resume and Background for all Borrowers/Guarantors and Builder outlining their previous history and capabilities

Details of any pre-sales, pre-leases held and or marketing/sales plan including details of the Real Estate Agent

Project Feasibility and Project Cashflow

The above information is a guide only and subject to change without notice
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