

# Fact Sheet(s) on Development & Construction Loans

**Equity**Lenders.com.au is your intermediary with arrangements in place to provide you with loan offers from Australia's leading private lenders secured by **1st & 2nd Mortgages, Mezzanine Mortgages & Caveats**



Property development loans of 1 & 2 dwellings to 50+ dwellings, drawdown construction loans for housing, commercial, industrial & retail. Land subdivision loans from 1 & 2 lots to several hundred lots across Australia

We offer loans from providers including: **Mortgage Managers, Direct Lenders & Combo Lenders**

**Mortgage Managers** manage funds on behalf of private individuals, SMSF Trustees, family offices and Managed Fund Providers. Their loans are tailored to individual situations. Their objective is to provide generous investor returns on a long-term basis

**Direct Lenders** operate Pooled Mortgage Funds on behalf of Mum & Dad investors and SMSF's wanting a regular income stream. Their objective is to provide investor returns on a short-term basis

**Combo Lenders** are Direct Lenders that administer their own funding lines and Mortgage Manage funds on behalf of private individuals. Their objective is to provide returns to their own funding line and their lenders on both a short-term and long-term basis

## Checklist of items for lenders to proceed with initial assessment

- ✓ Full details of proposed borrowing company including shareholding structure, directors details, and other associated entities, including family tree of companies in-group (if applicable)
- ✓ Completed loan application form
- ✓ Borrowers/Guarantors signed and dated assets & liabilities list
- ✓ Copy of planning permit, plans and any professional reports completed for the development
- ✓ Fully executed building contract(s)
- ✓ Builders capability statement/CV
- ✓ Developers CV/Resume and background for all borrowers/guarantors and builder outlining their previous history and capabilities
- ✓ Schedule of finishes and inclusions
- ✓ Builders all risk insurance (this can be provided later)
- ✓ Builders home owners warranty insurance (this can be provided later)
- ✓ List of current outstanding works - details with quotes and or tax invoices
- ✓ Current loan statement or if private loan, the original letter of offer
- ✓ Recent real estate agents appraisal or valuation if available
- ✓ 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

# Private Loan secured by Reg'd 1st Mortgage(s)

**EquityLenders**

Effective as at: 18/04/2019

## Lender: PF

<b>About this lender</b>	Is a <b>Direct Lender</b> using their own funds making in-house decisions
<b>Strengths of this lender</b>	Application-to-offer in 1-2 hours, interest rate low, unused interest refunded, approval of loan to settlement timeframes i.e 48-72 hours, construction and development loans. \$20m limit, interest rate capped at 11.50%
<b>Weaknesses of this lender</b>	Requires valuation(s), requires non-refundable assessment fee, specialised and rural zoned securities unacceptable
<b>Interest Rate (Resi &amp; Comm) 1st RM</b>	From 9.5% to 11.5% per annum
<b>Interest Rate (Resi &amp; Comm) 2nd RM</b>	NA
<b>Line Fee</b>	0.08% to 0.18% pcm
<b>Mezzanine 2nd RM</b>	NA
<b>Interest Payments</b>	Capitalised within the lvr
<b>QS Report</b>	Required and ordered by the lender from the lender panel or provided by applicant
<b>Loan Term (Maximum)</b>	12-to 24-months and rollovers
<b>Rollover Term(s)</b>	Available upon request
<b>Suitability</b>	Construction and property development
<b>Max LVR Residential</b>	Up-to 75% based on category location(s)
<b>Max LVR Vacant Land</b>	Up-to 70% based on category location(s)
<b>Min Loan Amount:</b>	\$2,000,000 Company, Corporate Trustee
<b>Min Loan Amount:</b>	NA
<b>Max Loan Amount:</b>	\$20,000,000
<b>Acceptable Borrowers</b>	Individuals, Partnerships, Companies, Trusts
<b>Loan Purpose - Business</b>	Any worthwhile business or investment purpose
<b>Loan Purpose - Personal</b>	NA
<b>Eligible Security</b>	Residential, Land Subdivision, Retail, Offices, Industrial Units, Factories, Warehouses and Workshops, Mixed Residential and Commercial Use
<b>Rural Property &amp; Land?</b>	No
<b>Eligible Locations</b>	Metropolitan Australia-wide
<b>Construction (drawdowns)</b>	To 75% of GRV, ex GST inclusive of fees and capitalised interest
<b>Construction (Limits)</b>	No limits
<b>Lender Establishment Fee</b>	1.50% to 2.00%
<b>Equity Lenders P/L Fee</b>	2.2% of the loan amount
<b>Processing Fee</b>	\$2,200
<b>QS Fee</b>	At cost
<b>Valuation Fee</b>	At cost
<b>Legal Fee</b>	At cost
<b>Presales</b>	Flexible - from 0% to 80% of debt
<b>Joint and Several Guarantees</b>	All third-party security providers, all directors (particularly shareholder directors) of the borrowing entity, any corporate shareholder of the borrowing entity
<b>Fee for Service</b>	At cost
<b>Documentation</b>	Completed Equity Lenders application pack + rates notices + ID's

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# Private Loan secured by Reg'd 1st & 2nd Mortgage(s) **EquityLenders**

Effective as at: 18/04/2019

## Lender: CG

<b>About this lender</b>	Is a <b>Combo Lender</b> providing their own funds and a Mortgage Manager offering funds from high net worth individuals, Managed Funds, Super Funds (SMSF's) and family offices
<b>Strengths of this lender</b>	Low interest rates, long-term loans, NCCP licence for Code loans, unused interest refunded*
<b>Weaknesses of this lender</b>	Application-to-offer within 1 week, approval of loan to settlement timeframes i.e 3-4 weeks, may require credit checks on all borrowers, requires valuations in all cases
<b>Interest Rate (Resi)</b>	14.95% p.a to 24.00%
<b>Interest Rate (Comm'l)</b>	15.95% p.a to 24.00%
<b>Principal &amp; Interest</b>	Not available during construction
<b>Interest Payments</b>	Borrower can request a tailored repayment solution upon completion
<b>Loan Term (Minimum)</b>	NA
<b>Loan Term (Maximum)</b>	Term of construction project
<b>Rollover Term(s)</b>	Available subject to acceptable loan repayment history per request
<b>Suitability</b>	Purchase, Refinance, Equity Release, Construction
<b>Max LVR Residential</b>	Up-to 65% and lender decides if using forced-sale or market value of property/s
<b>Max LVR Commercial</b>	Up-to 65% and lender decides if using forced-sale or market value of property/s
<b>Max LVR Vacant Land</b>	Up-to 65% and lender decides if using forced-sale or market value of property/s
<b>Min Loan Amount</b>	\$250,000
<b>Max Loan Amount:</b>	Up-to \$3,000,000
<b>Acceptable Borrowers - Business</b>	Company, Corporate Trustee, Family Trust, Individual^ and ABN Holder with business bank account*   *ABN holders require an event-based exit strategy i.e property sale. ^ Requires documentary evidence of funds use. Expect lender to call
<b>Acceptable Borrowers - Personal Names (NCCP)</b>	Yes. e.g signed agency agreement confirming property is being marketed for sale upon completion
<b>Loan Purpose (Business)</b>	Any worthwhile business or investment purpose
<b>Loan Purpose (NCCP)</b>	Any worthwhile consumer or investment purpose
<b>Eligible Security</b>	Residential, Commercial, Industrial, Retail & Vacant Land
<b>Rural Property &amp; Land?</b>	Yes
<b>Eligible Locations</b>	Australia-wide including Capital Cities, Major Coastal Areas and Major Regional Areas
<b>Construction</b>	Yes to max \$3,000,000 with drawdowns to 65% lvr GRV net of GST including fees and interest
<b>Establishment Fee</b>	5.5% of the loan amount and included in the loan amount
<b>Equity Lenders P/L Fee</b>	2.2% of the loan amount and included in the loan amount
<b>Commitment Fee</b>	Lender does not have a commitment fee
<b>Valuation Fee</b>	Lender will quote and fee is payable upfront to the lender
<b>Legal Fee</b>	\$2,695 inc GST + Disbursements and included in the loan
<b>Construction Fee</b>	Allow \$6,000 inspection fees + QS Initial Report fee \$tba
<b>Valuations</b>	Full construction valuations at cost and ordered by lender
<b>Joint and Several Guarantees</b>	All third-party security providers, all directors (particularly shareholder directors) of the borrowing entity, any corporate shareholder of the borrowing entity
<b>Indicative Letter of Offer</b>	Accepted and returned letters may result in Lenders Solicitor placing Caveats on property/ies
<b>Documentation</b>	Completed Equity Lenders application pack + rates notices + ID's

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# Private Loan secured by Reg'd 1st & 2nd Mortgage(s) **EquityLenders**

Effective as at: 18/04/2019

## Lender: PM

<b>About this lender</b>	Is a <b>Direct Lender</b> using their own funds making in-house decisions
<b>Strengths of this lender</b>	Application-to-offer in 1-2 hours, interest rate low, unused interest refunded, approval of loan to settlement timeframes i.e 48-72 hours, construction and development loans. Offers coded loans
<b>Weaknesses of this lender</b>	Requires valuation(s), requires credit check(s), requires non-refundable assessment fee
<b>Interest Rate (Resi &amp; Comm) 1st RM</b>	From 12% to 15% per annum
<b>Interest Rate (Resi &amp; Comm) 2nd RM</b>	From 18% to 21% per annum
<b>Loan Management Fee</b>	None advised
<b>Mezzanine 2nd RM</b>	Yes, to 70% of GRV ex GST fully inclusive
<b>Interest Payments</b>	Monthly in advance & capitalised into the loan within LVR guidelines
<b>QS Report</b>	Required and ordered by the lender from the lender panel
<b>Loan Term (Maximum)</b>	Up-to 36-months
<b>Rollover Term(s)</b>	Available upon request
<b>Suitability</b>	Purchase, Refinance, Equity Release, Cashout
<b>Max LVR Residential</b>	Up-to 70% based on category location(s)
<b>Max LVR Vacant Land</b>	Up-to 70% based on category location(s)
<b>Min Loan Amount:</b>	\$100,000 Company, Corporate Trustee, ABN Name
<b>Min Loan Amount:</b>	\$200,000 for non-code (NCCP)
<b>Max Loan Amount:</b>	\$10,000,000
<b>Acceptable Borrowers</b>	Individuals, Partnerships, Companies, Trusts
<b>Acceptable Borrowers (Personal Names NCCP)</b>	Loans in personal names are available to max 62-day loan terms for any worthwhile purpose(s)
<b>Loan Purpose - Business</b>	Any worthwhile business or investment purpose
<b>Loan Purpose - Personal</b>	Any worthwhile consumer or investment purpose
<b>Eligible Security</b>	Residential, Commercial, Industrial, Retail & Vacant Land
<b>Rural Property &amp; Land?</b>	Yes, major locations considered
<b>Eligible Locations</b>	Australia-wide including Capital Cities, Major Coastal Areas and Major Regional Areas
<b>Construction (drawdowns)</b>	To 70% of GRV, ex GST inclusive of fees and capitalised interest
<b>Construction (Limits)</b>	Up-to 6 townhouses, villas or residences, no multilevel dwellings
<b>Lender Establishment Fee</b>	\$100,000 to \$500,000 = 3.5%+ GST   \$500,001 to \$1,000,000 = 3%+ GST
<b>Equity Lenders P/L Fee</b>	\$2,995 or 2.2% of the loan amount - whichever is the greater and is included in the loan
<b>Lending Manager Fee</b>	N/A
<b>Urgent Settlement Fee</b>	Not offered by lender
<b>Commitment Fee</b>	From \$770 to \$990 and payable after issue of Indicative Letter of Offer - non-refundable
<b>Valuation Fee</b>	From \$500 + GST. Lender will quote if val is required and fee is payable upfront to the lender
<b>Legal Fee</b>	At cost \$3,850 to \$5,850 incl disbursements and included in the loan. Depends on complexity
<b>Valuations</b>	Valuation not purchase price - Lender uses valuation to base LVR on
<b>Joint and Several Guarantees</b>	All third-party security providers, all directors (particularly shareholder directors) of the borrowing entity, any corporate shareholder of the borrowing entity
<b>Indicative Letter of Offer</b>	No charging clause and No cancellation fees in the Indicative Letter of Offer
<b>Documentation</b>	Completed Equity Lenders application pack + rates notices + ID's

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