

# PURPLE Multi Construction Loan (to \$25m)



## 70% MAX LVR

UPDATED: 12 September 2023

The Purple Multi Construction loan is perfect for applicants who wish to build more than 2 dwellings, through to developers looking to complete construction of small to medium development projects. The loan is available for full doc or Altdoc circumstances provided the applicant has held an ABN for at least 1 year.

Loan Purpose:	Construction of properties greater 2 dwellings on one title.	Application Fee:	1.50% of the loan amount (excl GST) payable at settlement.
Loan Amount:	Minimum: \$ 100,000 Maximum: \$ 5,000,000 (70% LVR) Maximum: \$15,000,000 (65% LVR) Maximum: \$25,000,000 (65% LVR)	Legal Fees:	\$880 – Individual borrowers. Allow min \$2,000 +GST for Company / Trusts as this varies with complexity. Quote can be obtained.
Loan Requirements:	1 year financials (only) acceptable <b>or</b> 2 years full financials & NOA's (self-employed) <b>or</b> <u>Altdoc Loans:</u> Accountants Declaration or 12 months ATO lodged BAS Statements	Valuation Fee:	Quote as required. Allow 15 business days for valuations to be completed.
LVR:	70% maximum LVR (Loan to Value Ratio).	Additional Requirements:	Contract of Sale (purchase) Fixed Price Building Contract Council approved plans & specifications Building / planning permits
Term:	1 - 2 years	Processing Fee:	Not Applicable
Interest Rate Type:	Variable rates available. (Fixed Rates are not available).	Title Insurance:	\$145 Loans to \$600k; \$260 if >\$600k - Quote may be required.
Repayments:	Interest Only during the construction period.	LMI:	Lenders Mortgage Insurance is Not Applicable.
Extra Repayments:	Additional repayments may be made at any time without penalty for loans in individual names only.	Settlement Fees:	\$500 min. (PEXA, disbursement fees, general security agreement) – excludes Legal fees.
Repayment Frequency:	Weekly, Fortnightly or Monthly. Direct Debit from nominated bank account.	Risk Fee:	Not Applicable
Cash Out:	Not Available.	Loan Splits:	\$15pm per split – no setup fee.
Redraw:	Not Available.	Annual Fee: (Insurance)	\$ 200 (No annual reviews.)
Locations:	Cat 1 & 2 metro locations (major regional considered). Please refer to the QBE Location Guide (Cat A = Metro; Cat B = Regional)	Monthly Fee:	\$15 per split account.
Acceptable Securities:	Duplex, triplex, townhouses, small developments, warehouses, knock downs, block splitters, childcare centres.	Discharge Fees:	\$490 Code loan + funder's legal costs. \$1350 Non-Code + funder's legal costs.
Unacceptable Securities:	Standard residential blocks in metro areas. Maximum 2 dwellings on one title. Land Subdivisions with headworks.	Early Termination Fee (ETF):	2.0% ETF of original loan balance applies to Company /Trust borrowers if the loan discharges in the first five (5) years. ETF also applies to principal reductions >\$10,000pm.
Points of Difference:	Rates and fees are subject to change without notice - refer to your Allstate Manager for confirmation of current rates and fees. Credit impairment can be considered, especially for life events. Can consider specialized securities at low LVR. Servicing @ 1.2x using the revert rate on completion. Cash out can be done on other security to allow works outside of the parameters of this loan (e.g. subdivisions). Loan Amount not to exceed 80% of the total development cost.	ETF Waiver:	ETF can be waived if Application Fee is increased by 0.25%
		Offset Account:	Not available.

Allstate Home Loans Pty Ltd

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## Target Market for this Product:

The features of this Product have been assessed as meeting the likely objectives, financial situation and needs of consumers who require a secured loan of between \$100,000 and \$25,000,000, repayable over a term of up to 30 years to finance the construction of property which may range from 3 dwellings on one title through to developers looking to complete construction of small to medium development projects.

1. The ability to borrow up to 70% of the value of the property
2. The flexibility of a variable rate
3. The option of principal and interest or interest only repayments

## Outside of the Target Market for this Product:

Consumers outside the target market are consumers that:

1. Require a loan to finance the acquisition of an established property
2. Require a construction loan to build a maximum of two (2) dwellings on one (1) title.
3. Have material adverse credit; and
4. Are seeking to borrow through a self-managed superannuation fund.
5. Require a 100% Offset account.
6. Require Redraw facilities.

## 7 Key Questions for Every Multi Construction Scenario

1. Full address of the security
2. Land Value
3. Estimated Construction Costs (Fixed Costs or Cost Plus?)
4. GRV on completion
5. Current debt on property (if any)
6. What are they building? (e.g. 4 townhouses, 6 units, warehouse)
7. Are there any presales? (If so, how many)

**Please submit via Online Scenarios on our website.**