

PURPLE Multi Construction Loan (to \$25m)



70% MAX LVR

UPDATED: 15 February 2022

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:	1.65% of the loan amount (excl GST).
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.
Loan Requirements:	1 year financials (only) acceptable or 2 years full financials & NOA's (self-employed) or <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	Title Insurance:	\$145 Loans to \$600k; \$260 if >\$600k - Quote may be required.
Interest Rate Type:	Variable rates available. (Fixed Rates are not available).	LMI:	Lenders Mortgage Insurance is Not Applicable.
Repayments:	Interest Only during the construction period.	Settlement Fee:	\$250 (Allow extra for \$130 PEXA)
Extra Repayments:	Additional repayments may be made at any time without penalty for loans in individual names only.	Risk Fee:	Not Applicable
Repayment Frequency:	Weekly, Fortnightly or Monthly. Direct Debit from nominated bank account.	Loan Splits:	\$15pm per split – no setup fee.
Cash Out:	Not Available.	Annual Fee: (Insurance)	\$ 200 (No annual reviews.)
Redraw:	Not Available.	Monthly Fee:	\$15 per split account.
Locations:	Cat 1 & 2 metro locations (major regional considered). Please refer to the QBE Location Guide (Cat A = Metro; Cat B = Regional)	Discharge Fees:	\$490 Code loan + funder's legal costs. \$1350 Non-Code + funder's legal costs.
Acceptable Securities:	Triplex, townhouses, small developments, warehouses, knock downs,	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.
Unacceptable Securities:	Standard residential blocks in metro areas. Maximum 2 dwellings on one title. Subdivisions with headworks.	ETF Waiver:	ETF can be waived if Application Fee is increased by 0.25%
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)	Offset Account:	Not available.

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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.