



**We are a Multi-Award winning mortgage broking business. We offer a wide choice of Lenders and Loan Options at a time and place most convenient to YOU.**

All FREE of charge.

We specialise in helping families find the money they need to renovate and upgrade. From a \$20,000 **“DIY, Budget Kitchen Reno”** to a \$300,000 major structural upgrade, to building your ultimate Dream Home, we’ve seen and done it all, so you know you’re in safe hands.

**This Step-by-Step Guide has been designed to help you understand the process involved when undertaking a major structural renovation or building your new Dream Home.**

### The Pre-Renovation/ Pre-Construction Stage

First, you need to find out what you can afford to pay and what your budget is. What is your contribution, how much can you borrow and what the repayments are?

Arrange for finance pre-approval *(especially where there is uncertainty around your borrowing capacity or personal financial circumstances)*

Work with your Architect, or Builder to understand what you want in your new renovation or construction, your budget, and what Government Permits and Planning Documents may be required.

Finalise your new building design, including all internal and external specifications and Apply for your Permits where required. Ensure all building work is fully insured.

Agree on a Fixed Price Building Contract (FPBC) with as much of your construction work contained within the contract as is possible. Your FPBC will include the appropriate progress payment schedule. Your Mortgage Broker will require a copy of this Contract,

### Finance Application Stage

Submit all plans, permits, insurances and specifications with the Fixed Price Building Contract *(any items outside of the FPBC will require separate quotes)*

Valuations will be ordered, and valuation will be based on estimated value of the property, once construction has being completed

Finalise your new loan details. This will be based on your borrowing requirements and the theoretical **“on completion”** value of the property.

Consider factoring in a **“financial buffer”** to cover any costs of rental you might be up for whilst construction is in progress. If you’re building your Dream Home, construction could take upwards of 6 months to complete.

Loan approval. The first drawdown of your loan typically happens after all your cash contributions to the Builder have been made. *(for example, if you plan on contributing \$50,000 towards your \$250,000 renovation, then the Lender will want proof you’ve paid your \$50,000 first.)*

### Actual Construction/ Renovation Stage

For a New Home Construction, Progress Payments to the Builder will generally be made at the following stages:

- Deposit 5%
- Base 15%
- Frame 20%
- Lock Up 20%
- Fit Out 30%
- Completion 10%

Progress payments are signed off by you, as the Borrower, following receipt of invoice from your Builder. Payments are made directly to the Builder’s nominated Bank Account.

Independent Valuation Inspections may be required at some key stages to ensure building work is completed to Contract specifications.

Once the construction is complete and a local Council Certificate of Occupancy is issued, the Final Payment can be made to the Builder and the house can now be legally occupied. For minor renovations, less than \$100,000, this is typically not required and thus not relevant.

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