The Ultimate Guide to Financing Your House & Land Package

Helping you understand the finance journey before you build.

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UNDERSTANDING CONSTRUCTION FINANCE

Buying a house and land package is a little different to buying an existing home.

Instead of paying for everything upfront, your loan is generally split into two parts:

1. The Land Loan
Used to purchase your block of land.

2. The Construction Loan
Used to pay your builder as construction progresses.

The good news?

You don't usually start paying interest on the entire construction loan straight away. Instead, the builder is paid in stages, meaning you're generally only paying interest on the funds that have been drawn down.

THE FINANCE JOURNEY AT A GLANCE

✓ UNDERSTAND YOUR BUDGET
✓ SPEAK WITH A MORTGAGE BROKER
✓ OBTAIN PRE-APPROVAL
✓ FIND YOUR LAND
✓ CHOOSE YOUR HOME DESIGN
✓ RECEIVE FORMAL FINANCE APPROVAL
✓ LAND SETTLES
✓ CONSTRUCTION BEGINS

UNDERSTANDING CONSTRUCTION FINANCE

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Work Out Your Borrowing Power

Before looking at homes, it's important to understand what you can comfortably afford. A mortgage broker will look at things like:

- Your income
- Existing loans
- Credit cards
- HECS debt
- Living expenses
- Savings
- Genuine savings (where required)

They'll then provide an estimate of your borrowing capacity and explain the loan options available.

Tip: Don't assume your bank will offer the best solution. Brokers compare multiple lenders to find one suited to your circumstances.

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Obtain Pre-Approval

Pre-approval is one of the most important parts of the process.

It gives you confidence to start searching for house and land packages knowing approximately what you can borrow.

Many developers now require buyers to have finance pre-approved before securing land.

Pre-approval generally lasts around 90 days, although this varies between lenders.

During this time your broker can update your application if circumstances change.

You'll generally need:

- Identification
- Recent payslips
- Bank statements
- Savings history
- Existing loan information
- Tax returns (if self-employed)

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Choosing Your House & Land Package

Once pre-approved, it's time for the exciting part.

We will help you:

✓ Compare estates
✓ Find registered or upcoming land
✓ Match home designs to your budget
✓ Understand site costs
✓ Review inclusions
✓ Select upgrades that suit your lifestyle

Our goal is to ensure the package fits both your budget and your long-term goals.

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Formal Finance Approval

Once you've selected your land and builder, your broker submits everything to the lender for formal approval.

The lender will assess:
- Land contract
- Building contract
- Builder details
- Valuation (where required)
- Updated financial position

Once approved, you're ready to move forward with settlement.

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Land Settlement

Settlement is when ownership of your land officially transfers to you.

At settlement:
✓ Your land loan begins
✓ Your solicitor or conveyancer finalises paperwork
✓Builder prepares documentation for construction

For registered land, settlement usually occurs within a few weeks.

For unregistered land, settlement happens once the developer titles the land.

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Construction Finance

Unlike buying an existing home, your construction loan is released in stages. The builder submits an invoice after each completed stage.

The lender pays the builder directly after approving each progress claim.

Typical stages include:
- Deposit
- Slab
- Frame
- Enclosed/Lock-up
- Fixing
- Practical Completion

During construction you're generally only paying interest on the amount that has been drawn from your loan.

UNDERSTANDING GOVERNMENT ASSISTANCE

Depending on your circumstances, you may be eligible for government support.

Examples include:

✓ First Home Owner Grant
✓ First Home Guarantee
✓Stamp duty concessions (where applicable)

Eligibility changes over time and depends on your personal circumstances.

Your broker can explain which incentives may apply to you.

FREQUENTLY ASKED QUESTIONS

Do I need a 20% deposit?
Not always.
Many buyers purchase with much less depending on the lender & available government schemes.

Can I use a guarantor?
Possibly.
Family guarantee loans may help eligible buyers enter the market sooner.

Can I build if I'm self-employed?
Yes.
You'll usually need additional financial documentation, but many lenders have options available.

What if interest rates change?
Your broker will discuss fixed and variable loan options and help you understand how changing rates may affect repayments.

Can I make changes during construction?
Some changes may be possible, although they can affect your budget and loan if additional finance is required.

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YOU'RE CLOSER THAN YOU THINK...

Building your dream home doesn't have to be confusing.

With the right advice, the finance process can be straightforward and stress-free. Whether you're buying your first home, upgrading or investing, our team can help guide you every step of the way.

BOOK A FREE STRATEGY SESSION

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