La Trobe financial

Construction Lending

Single dwelling to medium-scale development projects

Construction

Development
No Presales

The shifts in Australia's demographic continue to push through, redesigning the face of our cities and suburbs. One of the well-known trends in recent years has been the strong demand for low-rise, higher density living in small to medium size developments: suburban redevelopments in popular metropolitan locations converting single or multiple traditional housing blocks into small or medium numbers of generally higher quality apartments or townhouses.

Partner with an experienced specialist lender

La Trobe Financial has a solid record as a credit specialist in small to medium size developments, on a consistently selected and conservative basis. Our view on these developments and resulting stock is it can be an excellent short and long term residential asset. We can also consider financing finished residential stock.

These assets may provide strong upfront and ongoing opportunities for participation in the property market and benefits, for developers, builders, debt financiers, residents, initial and ongoing equity owners and for the broader local community or town in the respective metropolitan areas.

We focus on immediate personalised service and response

We consider financing on senior debt positions in the development stage of assets. We view this as an attractive part of our broad residential lending program, reflecting both characteristics of the finished assets and of the development process:

- High quality and marketable residential assets upon completion supporting take out.
- Limited development sizes and exposures, with numerous positive consequences for risk.
- Prudent lending terms.
- Well understood, straight forward and reliable development pathways, approvals and build requirements.
- Predictable and relatively short term timeframes.
- Relatively standardised and comparable deals.
- Experienced developers with high quality track records and seeking repeat funding, and
- Strong ongoing deal flow reflecting long term redevelopment demographics.

La Trobe Financial views the transformation process now underway in the growth of small to medium size, low rise residential dwellings, to be a significant long term trend. These assets are lower profile than other development assets – literally high rise and high profile - but we view them as a high quality component of the Australian property landscape for the foreseeable future and we believe they offer participants valuable ongoing outcomes.

The La Trobe Financial difference

What differentiates La Trobe Financial to other specialist lenders is our experience in this niche market.

- Flexible pre-sales requirement
- No additional accreditation requirements.
- Interest capitalised during development stage.
- Take-out finance available.

Assisting those who are under-served by the major banks has been at the core of La Trobe Financial's service proposition since 1952.

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General Features

GENERAL DESCRIPTION	**Our Construction loans suit applicants looking to complete construction of a single dwelling right through to developers looking to complete small-medium development projects.**
LOAN PURPOSE	Construction of small scale residential developments
ACCEPTABLE SECURITY	Construction of Residential property
ACCEPTABLE RISK GRADE	A, B & C1
ACCEPTABLE LOCATIONS	Metropolitan. *Major regional locations considered*
MINIMUM LOAN AMOUNT	$100,000
MAXIMUM LOAN AMOUNT	Single dwelling $2,500,000 Multi dwelling $25,000,000
MAXIMUM LVR (SINGLE)	75% - $2,500,000 Loan Amount not to exceed 80% of the total development costs
MAXIMUM LVR (MULTI)	70% - $5,000,000 65% - $25,000,000 Loan Amount not to exceed 80% of the total development cost
LMI REQUIRED	No
MAXIMUM LOAN TERM	Single build: 30 years; Development finance: 2 years
REPAYMENT TYPE	Interest only. Single build loans can revert to Principal and Interest upon completion of construction
MAXIMUM INTEREST ONLY TERM	2 years
INCOME VERIFICATION (FULL-DOC)	2 payslips and employment reference *OR* last 2 years financials/tax assessment notices
INCOME VERIFICATION (LITE-DOC)	Borrower repayment declaration *PLUS* one of the following: accountants letter; BAS or Trading Statements
INCOME VERIFICATION (DEVELOPMENT FINANCE)	Interest will be capitalised during the construction period within maximum LVRs
COMMISSION STRUCTURE	0.50% upfront; 0.25% trail
COMMISSION CLAWBACK	nil
ADDITIONAL REPAYMENTS PERMITTED	Available on single build only
REDRAW AVAILABLE	Available on single build only

Document Checklist

All applications

- ☐ La Trobe Financial Application Form
- ☐ Verification of Identity (VOI)

Purpose specific

- ☐ Contract of Sale (if purchase)
- ☐ Existing account statements (if refinance)
- ☐ Fixed price building contract
- ☐ Council approved plans & specifications
- ☐ Building/planning permits

Income verification

Full Doc

- ☐ 2 payslips and employment letter/contract; *OR*
- ☐ last 2 years financials/tax assessment notices

Lite Doc

- ☐ Borrower repayment declaration *PLUS* one of the following:
- ☐ Accountants Letter (template available)
- ☐ 12 months BAS statements
- ☐ 12 months Trading Statements

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ACN: 006 479 527 • AUSTRALIAN CREDIT LICENCE: 392385

ENQUIRIES: 13 80 10
LA TROBE FINANCIAL SERVICES ABN: 30 006 479 527