

Ways to Build a Home with Greenland

There's more than one way to fund your new home build.

Buying a site and later building on that site with a Construction Loan is a popular way to buy a new property. This is often called a Staged (Progress) Payment Build and involves a series of payments as the home construction is underway. You purchase the land and with this as equity, use your own funds or borrow funds to complete the build.

Another popular option is a Home & Land Package (also called a 'Turnkey') which can be a less complicated option and allows you to make a small deposit, usually around 10%, and then pay nothing more until build completion and you receive the 'key'. This type of build, whilst more expensive, can work for some folk as it does not impact on your overall borrowing ability and tends to reduce financial pressure if you currently rent or have an existing mortgage.



What is a Home & Land package?

Often called a Turnkey Package

A Home & Land (or 'Turnkey') package is where a builder buys a section and either designs a spec' home or works with a client to develop a specific layout, then builds the dwelling and sells it as a finished product – almost like you are buying an existing home but having the fun of the build involvement and often the ability to personalise the home.

Home & Land packages are bundled together as a 'Turnkey' purchase where the builder funds the land and the construction of the home, so you are not required to draw down on a mortgage. This does mean that there will be an element of financing costs or interest, also called 'use of money' included in the package price and will vary depending on financing rates and other market factors.



How does a Construction (Staged Payment) Build work? Often called Land & Build

In its simplest form this is where you or a builder sources and secures a site and then a unique concept plan is developed for your specific requirements.



Most turnkey packages can be turned into a Land & Build option which will then reduce the overall price as the builders' finance costs will be removed.

Usually a 10% deposit is paid on the land at confirmation of the sale (either direct to the developer or to the builder) and settlement will be within an agreed timeframe or after title for the site is issued. In some cases, the overall subdivision may still be in development (civil works) so there may be some time between securing your site and the ability to start construction.

Once the site is confirmed, concept plans are designed, technical construction drawings are completed and build consent is applied for.

So what does this all mean? Well, you need to be in a position to pay a deposit on the land, then eventually to settle, and at a point start paying for each progressive stage of your build.

When you enter into a building contract with Greenland Homes a 5% deposit is paid to confirm the contract, and to commence the technical drawings and build consent stage. Below is a typical staged payment example.

Staged payment amounts are strictly controlled by the Master Builder Association and are **designed to ensure that you are never ahead in payments verses the construction value of your home.**

Greenland Homes also includes **Loss of Deposit and Non-Completion** cover within the Master Build Guarantee. This provides further protection for the construction phase of the build along with the standard 10-year defects guarantee.



Check out our House Build Building Blocks flyer for more info.



Typical Progressive Staged Example

Construction of Dwelling	TOTAL	\$450,000.00
Deposit	% of Contract price	Value
Deposit (payable upon signing contract)	5%	\$22,500.00
Confirmation Fee (payable at consent issue)	5%	\$22,500.00
Foundations and Floor Structure (slab poured)	15%	\$67,500.00
Wall Framing and Roof Closed In (roof installed)	20%	\$90,000.00
Pre-line (before gib board fixed)	12%	\$54,000.00
Interior Painting (all interior painting completed)	28%	\$126,000.00
Internal Fit Off (kitchens, bathrooms, hardware, flooring installed, plumbing and electrical fit off complete)	10%	\$45,000.00
Practical Completion	5%	\$22,500.00
TOTAL	100%	\$450,000.00