

# Offsite built homes

## Definitions

- Offsite built homes also referred to as prefabricated / kit or modular homes are where the major components are constructed in a factory away from the security or property location and delivered to site for installation or assembly and permanently affixed to site.

## Policy application

Use this policy for:	Don't use it for:
<ul style="list-style-type: none"><li>• Construction of Offsite built homes</li></ul>	<ul style="list-style-type: none"><li>• Mobile/relocatable homes</li><li>• The construction of on-site/standard homes</li></ul>

## Business rules

- Must be on a construction product
- Must have a full 'As If Complete' valuation undertaken
- Building contracts must be for a fixed price
- Exceptions cannot be considered
- All standard construction documentation is required (ie: plans, specifications, insurances etc)

## Minimum lending parameters

Criteria	Requirements
<b>Progress payments</b>	<p><b>When LMI is required and LVR greater than 80.00%</b></p> <p>No payments can be made upfront and a final payment for the remainder of the contract price will be released upon completion.</p> <p><b>Note:</b> LMI waived applications to follow above process.</p> <p><b>When LMI is not required and LVR 80.00% or less</b></p> <p>Deposit and one upfront payment can be made prior to completion.</p>

	<p>The total disbursed loan amount cannot exceed the lower of:</p> <ul style="list-style-type: none"> <li>• 95% of the land value only, verified by the as if complete valuation, or</li> <li>• 50% of the total building contract price</li> </ul> <p>Upon completion and installation, the final payment for the remainder of the building contract can be released to the builder.</p>
<b>LMI</b>	<p>May be considered where the builder agrees to a final payment only.</p> <p>Refer Lenders Mortgage Insurance (LMI).</p>
<b>Documentation requirements</b>	<ul style="list-style-type: none"> <li>• The Progress Payment Schedule must be updated prior to progress payments being made.</li> <li>• All standard construction documentation required refer Construction and renovation policy.</li> </ul>
<b>Acceptable security</b>	<p>Bankwest must hold sufficient security over the land in which the dwelling will be located upon installation.</p>
<b>Maximum LVR</b>	<p>Refer Maximum loan to value ratios (LVR's)</p>
<b>Valuation</b>	<p>Refer Valuations</p> <p>In addition, a final progress inspection valuation must be ordered prior to final payment being made and the valuer confirming that the dwelling has been fully erected on the land and connected to all services, e.g. mains electricity, potable water, and sewerage systems.</p>
<b>Insurance</b>	<p>Prior to final progress payment copy of building insurance required.</p>

**Effective:** 02 May 2024

**Changes:** New individual page created for Offsite built homes, update to policy on upfront progress payment amount.