

# 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
1. All standard construction documentation is required (i.e.: plans, specifications, insurances etc.)
  2. Offsite progress payment calculator is available to determine the upfront payment amount, located on the calculator page.

## Minimum lending parameters

Criteria	Requirements
<b>Progress payments – New builds</b>	Deposit and one upfront payment can be made prior to completion.  The total disbursed loan amount* cannot exceed the lower of:

	<p>3. 95% of the <b>land value only</b>, verified by the as if complete valuation, or</p> <p>4. 50% of the total building contract price.</p> <p>Upon completion and installation, the final payment for the remainder of the building contract can be released to the builder.</p> <p>*The total disbursed loan amount must also include any loan funds required for the land purchase settlement, refinance or existing loans held on the security.</p>
<b>Progress payments- Additions</b>	<p>Where customer is applying for an addition to their existing dwelling (including ancillary dwellings where built offsite) the deposit and one upfront payment can be made prior to completion.</p> <p>The total disbursed loan amount cannot exceed the lower of:</p> <p>5. 95% of the <b>improvements value only</b>, verified by the as if complete valuation, or</p> <p>6. 50% of the total building contract price.</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> </ul> <p>7. All standard construction documentation required refer Construction and renovation policy.</p> <p>8. Offsite progress payment calculator (optional)</p>
<b>Acceptable security</b>	Bankwest must hold sufficient security over the land in which the dwelling will be located upon installation.
<b>Maximum LVR</b>	Refer Maximum loan to value ratios (LVR's)
<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>	Prior to final progress payment copy of building insurance is required.

**Effective:** 4<sup>th</sup> February 2025

**Changes:** Policy update to allow upfront payment on LMI deals and inclusion of new additions policy.