

FAQ: BEFORE DECIDING IF YOU WANT TO BUILD A HOME



How can IBA assist me in building a home?

We have a construction loan that may assist in building a home. To see if you are eligible, you need to submit an Expression of Interest from IBA's website at lodgement.iba.gov.au.

The information you provide in the Expression of Interest allows our team to assess your situation. An IBA Home Loan officer will contact you to discuss your circumstances. If you are eligible and ready to apply for an IBA construction loan, we will add you to the Expression of Interest register.

Funds are limited at IBA so if you're on the register, you will be invited to apply as funds become available. We'll contact you to make sure you're still ready to proceed, and if so, IBA will send you an invitation with the Home Loan application and other supporting documents. We'll assess your application, and if you are eligible for an IBA construction loan, IBA will provide you with a pre-approval and information including how much money you can borrow to assist you to purchase land and meet the cost of building a new house.

Other assistance from IBA

IBA understands that building a home has its challenges and will provide information to help you move through the process. IBA has developed a video guide to help clarify the building process and provide awareness of common issues. Check out our [YouTube channel](#) to find out more.

IBA also offers budgeting and home ownership workshops which may help you prepare and budget both through the building stage and after you move into your new home. The workshop will also help prepare you for the ongoing costs associated with home ownership.

What should I look for when buying a block of land?

It is an IBA requirement that land is registered (has its own certificate of title) and is connected to essential services like water, power, and effluent (waste) disposal.

How can I tell if the land is registered?

The sales agent or your conveyancer or solicitor should be able to confirm the registration of the land that you are hoping to purchase.

What is an encumbrance and how does it impact my land?

An encumbrance is a limit on your rights over the land. They may be imposed by the government (e.g. sewer easement) or by the developer (e.g. building conditions), or by agreement. Other examples include mortgages and caveats. Your conveyancer/solicitor should review the sale contract and advise you of any encumbrances and the impact of these as it relates to building on the land.



Interested to know more? Check out the 5-part video series, BRICK BY BRICK, on our YouTube channel for a breakdown of the construction process.

iba.gov.au



How do certain encumbrances affect the land?

- An easement gives another party certain rights to use part of your land. Common examples are easements for water or sewer which are below the ground or an access easement (e.g. a joint driveway). It is important to realise that an easement will usually prevent you from building on this portion of land.
- A restrictive covenant places controls on the use of the land. Examples include height restrictions, limiting development to a single dwelling only, requiring certain building materials to be used or requiring a minimum building area. Whilst restrictive covenants may be removed, it can be a long and difficult process.

You should seek expert advice if there are any encumbrances on your land, as they can create significant obstacles to any construction work.

Who is responsible for obtaining council approvals for the construction?

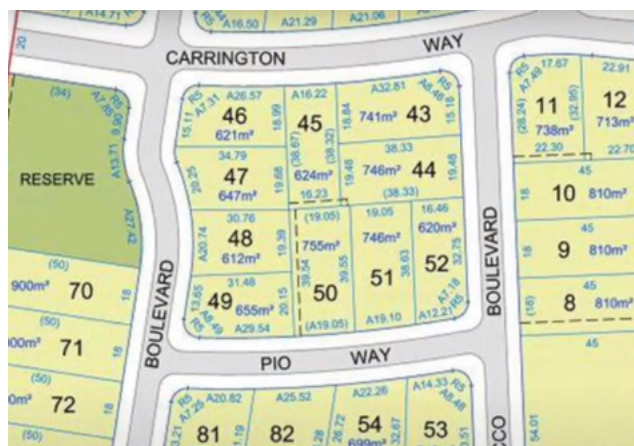
If an approval is required to build your new home, generally your builder or architect will submit documents for necessary approvals on your behalf. It's important that you get advice about what approvals are required and what conditions your local council places on buildings in your area before committing to buying land and signing a building contract.

How long does it take to get development and building approvals?

The time taken varies, not only from state to state, but is dependent on the complexity of the development and the local council's workload. The local council in the area you wish to buy and build should be able to give you some advice about timing and what approvals are required.

What does a conveyancer/solicitor do?

Conveyancers and solicitors are experts who facilitate the transfer of ownership of land from the seller to the buyer. They will manage the process and may assist in initial negotiations for the contract for sale. It is important that you engage a conveyancer or solicitor and get their advice before you sign any contracts.



What should I consider when looking for a block of land?

The first step is to decide what is important to your family – being close to family members, amenities such as schools, churches, medical and transport facilities, shopping centres and recreational facilities. Other considerations may be the size and shape of the block, is it on or near a busy road or floodway.

How can I find available land?

The best place to find available land is via an online search. There are numerous real estate websites available. Other sources of information are land developer websites, local newspapers and real estate agents, particularly in smaller towns.

Is topography (physical features of the land) important?

A flat block is usually the easiest and cheapest to build on. A sloping site may provide an attractive view, however, is likely to require retaining or excavation and possibly larger footings, adding to the overall cost.

Can I get any grants to help me with the cost of buying land and building a house?

Each state and territory provide First Home Owner Grants ranging between \$15,000 and \$25,000. Stamp duty concessions may also be available.

Please refer to the Office of State Revenue or equivalent in your state or territory to enquire on your eligibility for a grant. Your conveyancer/solicitor and/or your builder may also be of some assistance as some councils also offer building grants. You should also check out IBA's website to see what regional construction incentives may be on offer.

Call 1800 107 107 or visit iba.gov.au



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