



PRACTICAL GUIDE

House & Land Package Buyer Guide

Splitting land and build contracts, progress payments, fixed-price traps and the questions to ask every builder.

Structure of the deal

- Two contracts: land purchase, then building contract (HIA or MBA).
- Land settles first; build commences after.
- Stamp duty payable on land only (significant saving in outer growth corridors).
- Progress payments on build at slab, frame, lock-up, fixing, completion.

Common traps

- 'Turnkey' price excludes landscaping, driveway, fencing, blinds.
- Site costs (rock, slope, fill) can add \$20k to \$60k after contract.
- Council contribution and headworks not always included.
- Build delays of 6 to 18 months are common in volume builders.

Builder due diligence

- VBA licence current; check for past complaints or insolvency events.
- Look up the builder's prior projects; visit completed homes.
- Domestic Building Insurance must be in place before any payment.
- Confirm whether fixed-price or rise-and-fall.

Finance and timing

- Lender needs to fund construction loan; not all lenders are flexible.
- Progress payments require valuer sign-off at each stage.
- Hold contingency fund of 10% of build cost for variations.

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