

# Homeowners guide to progress payments

Typical Cashflow Source		Typical Progress Payment	
	Buyers Funds Bank Funds		
LAND	Deposit paid by buyer  Banks normally require minimum 50% deposit on section	LAND	
	Remaining Section Financed with Bank  Banks normally pay remaining balance on section		
BUILDING CONTRACT	Deposit paid by buyer  Remaining deposit paid to builder at contract signing. Any surplus deposit is paid to builder prior to first progress payment	BUILDING CONTRACT	PROGRESS PAYMENT #1
	Remaining Section Financed with Bank  In most cases, all remaining progress payments are paid through the buyers bank loan - buyer normally has little control over this process		PROGRESS PAYMENT #2
			PROGRESS PAYMENT #3
		PROGRESS PAYMENT #4	PROGRESS PAYMENT #5
		#5 RETENTION PAYMENT TYPICALLY PAID AT CoC	
			100%

LAND

LAND

BUILDING CONTRACT

BUILDING CONTRACT

PROGRESS PAYMENT #1	15%	Site work and Foundation Permits and Fees, Architects Bank's Progress payment reduced by remaining deposit by buyer
PROGRESS PAYMENT #2	20%	Wall and Roof Framing Roof Installed
PROGRESS PAYMENT #3	30%	Internal and External lining Plumbing and Electrical
PROGRESS PAYMENT #4	25%	Room Fit-out and Finish Kitchen and Bathrooms Floor and wall coverings
#5 RETENTION PAYMENT TYPICALLY PAID AT CoC	10%	Retention  Builders Profit Paid on Completion
	100%	