

About our strata funding

Lannock's funding enables strata corporations to complete projects now without depleting scarce sinking funds or imposing a special levy.

We will fund capital works such as repairs, renovations, refurbishments and re-development of properties as well as all associated professional services. We will also fund insurance premiums and working capital requirements.

Strata communities frequently find that the ability to complete projects immediately has significant benefits: owner-occupiers can improve their lifestyle and investors obtain increases in rental return and capital value.

Lannock provides funds directly to the strata corporation – we do not lend to the individual owners. Our funding is completely unsecured – there is no security such as mortgages, banker's liens, charges or caveats.

Because we fund the Strata Corporation direct, we do not investigate the financial position of individual owners of units. We do not require owners or committee members to give personal guarantees.

As a 'primarily residential' strata corporation is deemed to be a consumer under the terms of the National Consumer Credit Code, our documentation and processes are fully compliant with the Code.

Type of facility

Lannock provides a line of credit. The amount of approved credit is typically available for a year, during which you can draw as many Advances as you require. This structure has proved to be very useful for strata communities undertaking complex building projects and having to pay multiple suppliers in varying amounts. You only borrow as much as you need, when you need it and so you save on unnecessary interest costs.

Amount of credit

Lannock will fund investments in capital works up to 15% of the aggregate market value of the lots in your strata corporation. Subject to this percentage, there is no specified minimum or maximum amount we will fund. Lannock will consider variations to this standard criterion in special cases such as where the building is being redeveloped or where additional value is being created.

Costs and charges

Lannock charges a single \$550 approval fee which is fully refundable if the facility is not approved.

We are proud to say that you then only pay for what you use, when you use it. There are no commitment fees, no facility fees, no establishment fees, no line fees and no unused limit fees during the first 12 months of the facility. If there are un-drawn amounts at the end of this time, we will ask you if you wish to continue to have access to these un-drawn funds and will charge an administration fee if you wish to extend. No fees are payable if you choose not to extend the availability of the line of credit for a further term.

We do charge fees and recover costs if there are dishonours, defaults, arrears, early terminations or other unusual events (the Facility Agreement has a complete list of all fees charged in these situations).



Interest rate

Lannock's rates are based on an indicator rate called the Base Strata Rate. This is a market rate that changes according to market and economic conditions.

We also include a Client Margin appropriate to the circumstances – this margin does not change during the life of your credit facility.

The interest rate also varies based on the amount and term of an Advance and whether it is at a fixed or floating rate.

The interest rate that applies to each Advance is the rate on the date of the Advance for the amount and term of the Advance.

The strata corporation can elect to have a Fixed Rate Period of up to 5 years on each Advance.

Drawings

You may draw an Advance at any time during the Availability Period. We require you to provide invoices supporting the amount of each Advance. We will pay the funds directly into the corporation's account to enable it to pay the contractor or to be reimbursed for a payment already made.