

# SECURE HOME

APPLICATION GUIDE



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housing  
trust

**We provide affordable  
homes and build  
sustainable communities  
for now and generations  
to come.**



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# ŌCHT's Secure Home

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ALL ABOUT  
**Secure Home**



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# What is Secure Home?

Secure Home is an assisted **Progressive Home Ownership** programme (PHO) supported by the Ministry of Housing and Urban Development.

This is an opportunity for low to median income households to **get on the property ladder**.

The occupier will be a **first home buyer** and needs a smaller deposit of 10%.

The objective of Secure Home is to provide **decent and affordable housing and long-term housing security** in the same way that home ownership does.



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# Overview

The Secure Home programme is based on the **following principles:**

ŌCHT retains ownership of the land and registers a **100-year lease** over the land, in your name.

You pay a monthly **Ground Rent** to ŌCHT for use of the land, currently set at 1.5% land value per annum

The Ground Rent is reviewed annually, and only **adjusted to match inflation.**

Secure Home is a leasehold model of ownership, where **you buy the right to occupy the house** (based on the cost of construction). You don't buy the land or building.

When you no longer require the house, **ŌCHT purchases it back** from you at the same price you paid plus an adjustment for inflation and maintenance.



MEETING THE

# Eligibility Criteria



# Eligibility criteria



At least one adult member of your household must have **NZ residency or citizenship.**



You **cannot own** in part or full, **property or land anywhere** in the world.



An **income cap** is applied based on the number of people in your household, generally no more than \$150,000 annual two-parent household income before tax.



You need to have a **minimum of 10% of the purchase price** as a deposit.



You will need **approval for a home loan** from our partnering bank, sufficient to meet the purchase price, when added with your deposit.



# YOUR Obligations



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# Your obligations



You must commit to a **minimum of three years** in the home.



The property must be used **exclusively as the household's primary residence and must not be vacated by the household** for any more than four weeks in a 12-month period.



You **cannot sub-lease the Secure Home or purchase any other property** while you are in Secure Home.



It is **your responsibility to maintain your home** including any maintenance requirements from ŌCHT.



You must allow **ŌCHT to carry out annual property inspections**, to ensure integrity of the building is maintained.



The **financial commitments of Secure Home must always be met**, which includes home loan repayments, council rates, maintenance costs and body corporate fees (this includes your house insurance).



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# THE Costs



# The cost of Secure Home

Below is a guide on **some of the costs** involved for Secure Home. All these costs (exc. Ground Rent) are **standard for anyone who owns a home**.

The exact costs of Secure Home can only be ascertained at the time a property becomes available and you've engaged with your bank.

## INITIAL PURCHASE COSTS

- Leasehold purchase price (upfront payment)
- Lawyer fees
- Bank home loan fees
- Valuation fee



## ONGOING COSTS

- Home loan repayments to your bank
- Ground Rent to ŌCHT
- Rates to CHCH City Council & ECan
- Contents insurance
- House maintenance costs
- Body corporate levies (inc. house insurance)



RAISING A  
**Deposit**

# Raising a deposit

Banks usually require a 20% deposit, but **for Secure Home the bank requires a 10% deposit.**

The illustration below shows the variety of ways you can pull together a deposit for a home, including the two Government initiatives designed to support first home buyers (more on these next).

SAVINGS

GIFTED  
FAMILY  
ASSISTANCE

FINANCIAL  
WINDFALL

KIWISAVER  
FIRST HOME  
WITHDRAWAL

KIWISAVER  
FIRST HOME  
GRANT

*Government initiatives to support first home buyers*



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FIRST HOME  
**KiwiSaver**





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# KiwiSaver First Home Withdrawal

The First Home Withdrawal allows you to **access the funds in your KiwiSaver, to use towards a deposit** on your first home.

The following **eligibility criteria must be met:**

 Withdrawal is available for first home buyers and second chancers.

 You must have been a member of KiwiSaver for at least three years.

 If eligible, you can withdraw your KiwiSaver savings as your secure agreement constitutes an interest in the land. At least \$1,000 must remain in your KiwiSaver account.

 You must be approved by your KiwiSaver provider (not all KiwiSaver providers allow a withdrawal for this purpose).



# KiwiSaver First Home Grant

The First Home Grant is a **one-off grant of \$10k per person** for a new home.

The following eligibility criteria must be met:



The grant is available for first home buyers and second chancers.



Income before tax must not exceed \$95k p.a. for a single purchaser, or \$150k p.a. where more than one person is working.



You cannot currently own any property.



You will have been making the minimum KiwiSaver contributions for at least 3 years.



You must agree to live in your home for a minimum of 3 years.



SECURE HOME

# Exiting

# Exiting Secure Home

The **minimum commitment to Secure Home is three years**, but beyond that you can stay for as long, or short as you like. When you no longer require the property, **ŌCHT will purchase it back from you**. The amount paid back to you (the reversion price) is calculated as follows

- The** original purchase price
- Plus** inflation adjustment for the period the home was owned by you
- Plus** any previously agreed costs for home improvements
- Plus** inflation adjustment for the agreed home improvement costs
- Less** any monies owed to ŌCHT
- Less** outstanding scheduled maintenance items as per ŌCHT's schedule (prorated)

You **cannot pass the home on to next of kin automatically**, but we may be able to work with your whānau to enable them to stay if they meet eligibility criteria and have the financial capacity to enter into the programme themselves.

# TIPS ON Financing



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# Getting your finances in order

A key part of qualifying for Secure Home, is **obtaining a home loan** from a partnering bank.

The bank will look at your **current financial position**, as they want to be confident that if they provide you with a home loan, you are not overcommitting yourself and you can continue to meet all your financial obligations.

## THE BANK REQUIRES AT LEAST 3-MONTHS EVIDENCE OF:

- Your income (if self-employed, your financial accounts).
- Your expenses and spending habits.
- Your debt servicing commitments.

## TIPS TO GET IN THE BEST POSSIBLE POSITION:

- Remove expenses like AfterPay and layby, as these greatly impact your ability to borrow.
- Manage your day-to-day spending and consider removing any unnecessary outgoings.
- Be aware of your bank account conduct. Make sure there are no unarranged overdrafts or dishonours.
- Where you can, reduce or cancel lines of credit such as credit cards, store cards, overdrafts, personal loans etc.

# Pricing

Below is the **price breakdown** for a brand new 2-bed and 3-bed ŌCHT townhouse which cost \$350k and \$450k to build:

## 2 BEDROOM TOWNHOUSE

<b>Purchase price</b>	\$350,000
<b>Home loan</b>	\$315,000
<b>Deposit</b>	\$35,000

**UPFRONT PURCHASE PRICE: \$350,000**

## 3 BEDROOM TOWNHOUSE

<b>Purchase price</b>	\$450,000
<b>Home loan</b>	\$405,000
<b>Deposit</b>	\$45,000

**UPFRONT PURCHASE PRICE: \$450,000**



SECURE HOME  
**Benefits**

# Benefits

Secure Home means **you are no longer a tenant and impacted by the decisions of a landlord.** This is a home ownership opportunity that provides:

## Affordability

A home ownership model that is far more affordable than purchasing in the open market.

## Financial Security

You will no longer be paying rents as determined by private landlords.

## Housing Stability

You will no longer be at risk of a landlord ending your tenancy.

## Comfort

Our homes are award-winning well constructed homes that are healthy, warm and dry.

## Asset Ownership

You are purchasing an asset that is bought back by ŌCHT when you're ready to move on.



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QUICK FACTS

# About us



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# Ōtautahi Community Housing Trust

We're a registered community housing provider and charitable trust offering **affordable homes and building sustainable communities** across Ōtautahi.

We've grown from a tenancy management service to manage maintenance, upgrade and renewal projects.

We've now added Affordable Rentals and Progressive Home Ownership programme.

ŌCHT provides affordable homes and builds **sustainable communities where people love to live.**



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# What makes us different?

We're a **tenant-centric community housing provider** and we work with tenants and community services to support tenancies.

As well as building new homes, we're improving the homes we own and lease **to raise the standard for community housing** in our city and nationally. Our new homes win awards.

We are a **values driven** organisation, offering **proactive tenant support**; we build, we renovate, and we strive for financial, environmental and social sustainability.



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# Get in touch for more info and next steps

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For more on Secure Home visit [www.ocht.org.nz/secure-home](http://www.ocht.org.nz/secure-home)

*Secure Home is supported by:*



**Te Tūāpapa Kura Kāinga**  
Ministry of Housing and Urban Development

**westpac**



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