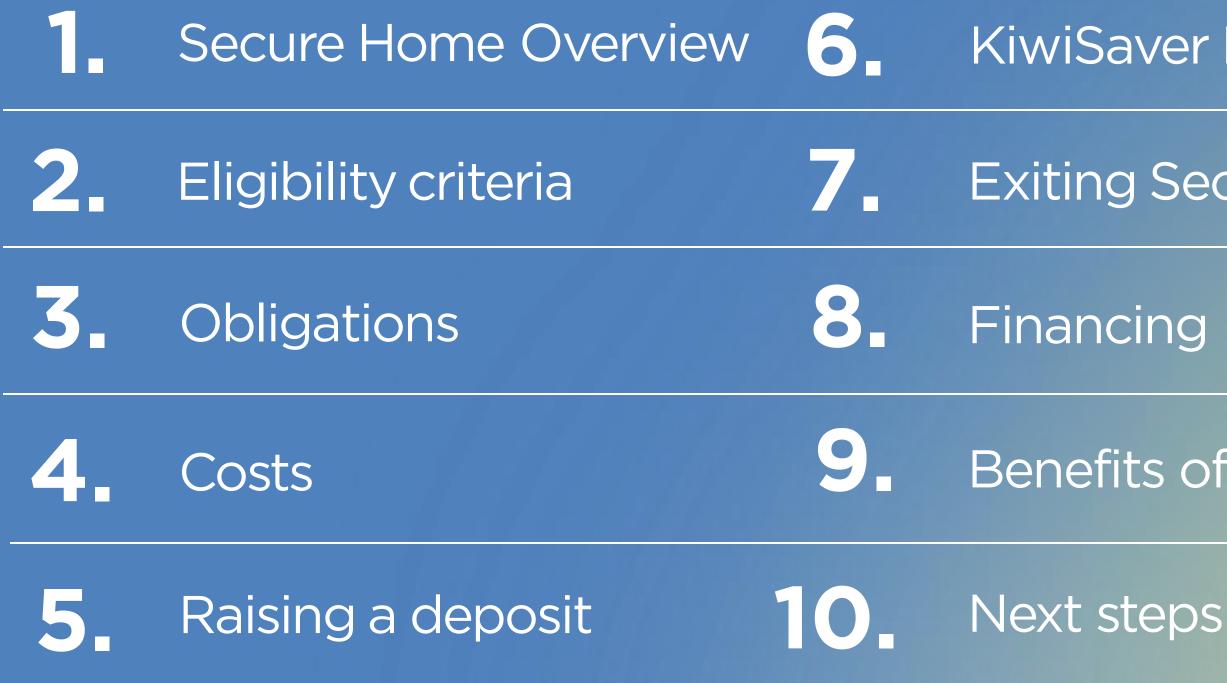
# SECURE HOME APPLICATION GUIDE



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

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# **OCHT's Secure Home**



#### KiwiSaver First Home Support

#### **Exiting Secure Home**

#### **Benefits of Secure Home**

# Secure Home



### 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.



### Overview

The Secure Home programme is based on the following principles:

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

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

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, **ÖCHT purchases** it back from you at the same price you paid plus an adjustment for inflation and maintenance.

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



# Eigibility Criteria

# MEETING THE



## 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.





# **obligations**



## 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 OCHT.



You must allow **OCHT 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 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



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

#### **ONGOING COSTS**



# RAISINGA 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).



**KIWISAVER FIRST HOME WITHDRAWAL** 

**KIWISAVER FIRST HOME GRANT** 

*Government initiatives to support first home buyers* 





# FIRST HOME **KIWISAVEĽ**



## **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.



years.



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

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





# SECURE HOME EXILIANCE STREET



### **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, **ÖCHT 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 OCHT
Less outstanding scheduled maintenance items as per OCHT's schedule (prorated)

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





# Financing



## 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
   AfterPay and layby these greatly impaction your ability to borre
- Manage your day-t day spending and consider removing unnecessary outgo

like •	Be aware of your bank
/, as	account conduct. Make sure
ict	there are no unarranged
row.	overdrafts or dishonours.
•to- • g any oings.	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 OCHT townhouse which cost \$350k and \$450k to build:

2 BEDROOM T	3 BED	
Purchase price	\$350,000	Purchase
Home loan	\$315,000	Home loai
Deposit	\$35,000	Deposit
<b>UPFRONT PURCHASE</b>	PRICE: \$350,000	UPFRONT

#### DROOM TOWNHOUSE

price

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\$450,000 \$405,000 \$45,000

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





# 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.

#### 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 OCHT when you're ready to move on.

#### **Housing Stability**

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





# QUICK FACTS ADOULT US



### **Otautahi Community Housing Trust**

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

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.

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



### What makes us different?

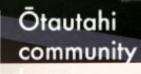
We're a **tenant-centric community housing provider** and we work with tenants and community services to support tenancies.

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

securehome@ocht.org.nz 0800 624 456 For more on Secure Home visit www.ocht.org.nz/secure-home

Secure Home is supported by:



Ministry of Housing and Urban Development





### lestpac

