



Assisted Home Ownership

Handbook for applicants

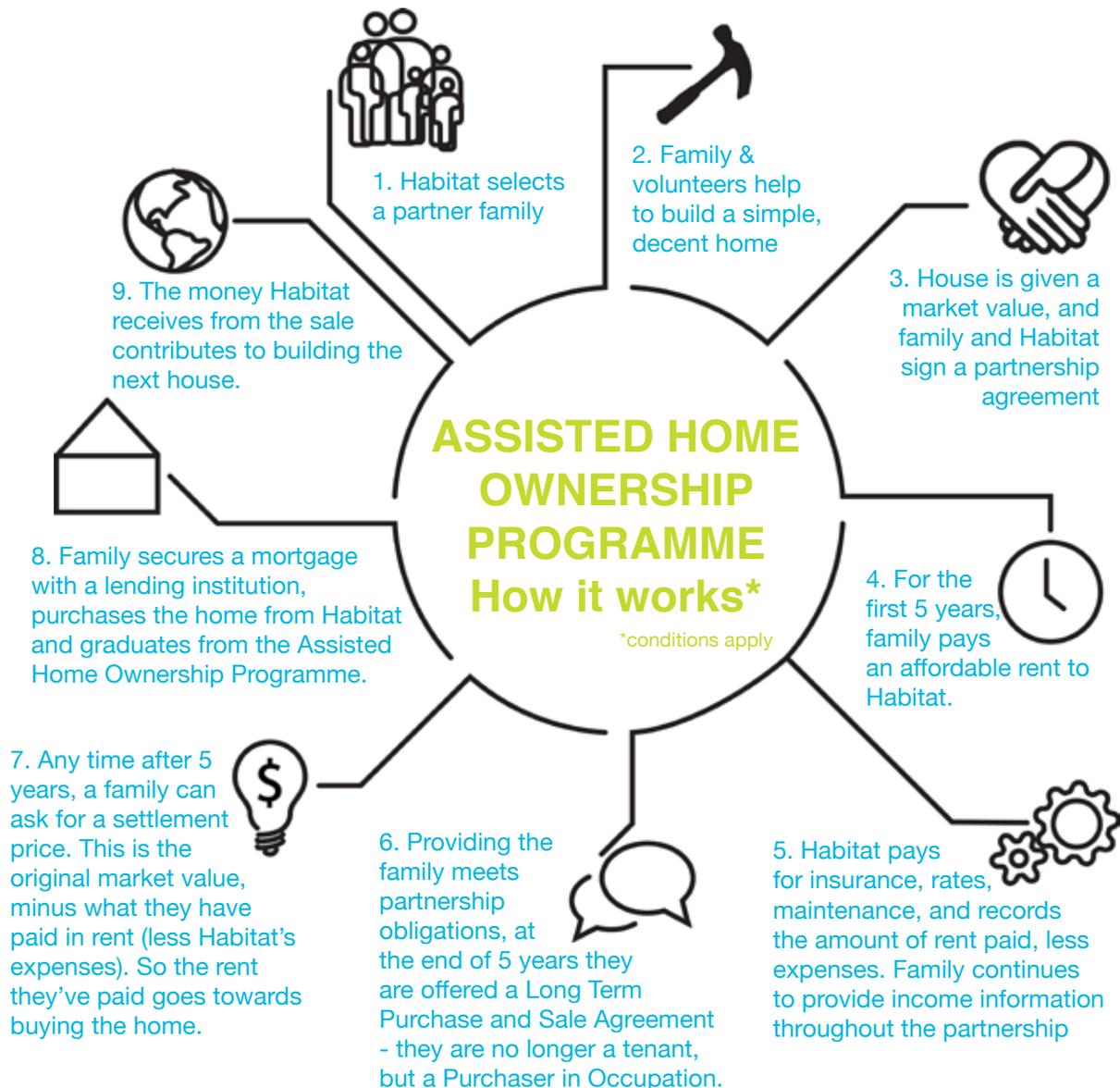
Introducing Habitat for Humanity

Habitat for Humanity is a not-for-profit charity which believes everyone deserves a decent place to live. In the Central North Island, we do this through:

- Assisted Home Ownership
- Home repair programmes for low income home owners
- Social rentals
- Freeman Court, independent living accommodation for older people

Our Assisted Home Ownership Programme gives families a hand-up to a simple, decent home. With this comes the pride of ownership, a sense of belonging and most of all, stability. Secure housing improves a family's well-being, nurtures hope, and contributes towards a successful future.

Assisted Home Ownership is a hand-up, not a hand-out, and all families involved invest 500 hours of their own time (sweat equity) to build their own home or those of others, and in other parts of our business.



A hand-up, not a hand-out

Willingness is a significant part of the Assisted Home Ownership Programme and the first step towards forming a partnership with Habitat.

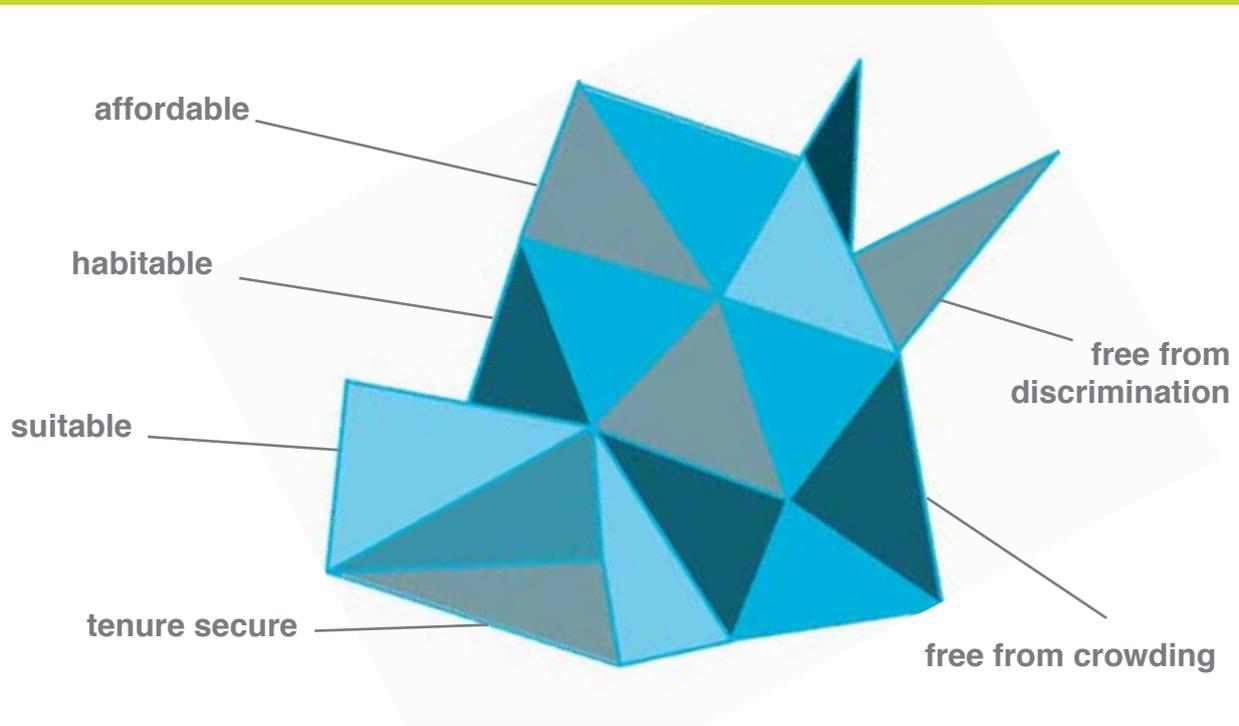
All families who are part of the Assisted Home Ownership Programme invest a minimum of 500 sweat equity hours to build their own home and/or those of others, and participate in education workshops.

Sometimes sweat equity is completed by volunteering at Habitat ReStores.

Families are required to make regular affordable (interest free) repayments over the duration of the 10 year period. The first five years are effectively an affordable renting/ deposit period, followed by a 'long-term sale and purchase agreement'.

What is a 'decent' place?

Habitat for Humanity Central North Island recognises the **Six Dimensions of Housing Adequacy**, as adopted by Statistics New Zealand, and recognised by the Universal Declaration of Human Rights. If all of these aspects are present, a home could be said to be adequate, or 'decent'.



Is this programme right for me?

- I don't own any property.
- Our current living situation doesn't suit our needs.
- We're paying more than 30% of our gross income on rent.
- We have no home deposit savings.
- I'm ready to step up and make a long-term commitment towards my future, and that of my family.
- I'm willing to put in the work to help build, and learn more about home ownership.

Assisted Home Ownership partner family selection criteria - three essential factors

Habitat for Humanity recognises and assesses a number of factors when deciding who might benefit the most from our Assisted Home Ownership Programme.

Willingness

Families must be willing to:

- engage in a 10 year partnership
- perform a minimum of 500 sweat equity hours
- participate in education workshops
- work with a budgeter
- pay a \$500 bond before occupancy.

Demonstrated need

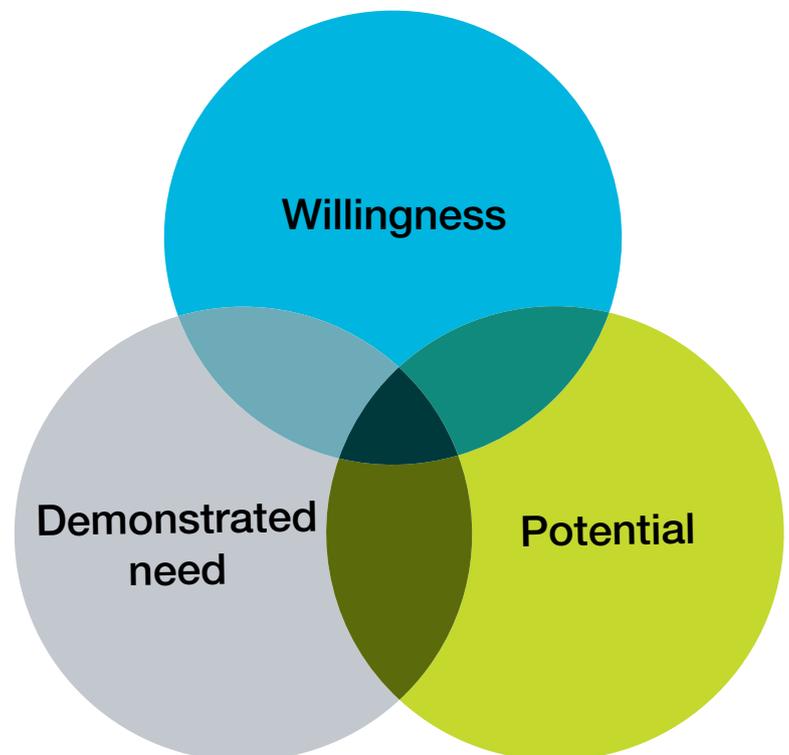
Families considered for the Assisted Home Ownership Programme are living in a situation of housing inadequacy. They have a stable household income which will enable them to meet the required repayments. Aspects that help to demonstrate their need for permanent housing and home ownership might include some or all of the following.

- Overcrowded.
- Cold, damp, uninsulated.
- Proven health, disability or psychosocial need.
- Unaffordable rent.
- Insecure tenure.
- Home unsuitable for family circumstances.
- Inability to secure accommodation because of discrimination.
- Little to no savings for a deposit on a home.

Potential

Families must:

- have New Zealand citizenship or permanent residency
- have worked or lived in the Central North Island region for at least two years
- have no serious criminal convictions or charges pending
- be able to show evidence of a good tenancy and credit history
- have waited two years after being discharged from bankruptcy, and have reestablished a good credit rating
- have no more than \$1000 in outstanding debt at time of application (includes delinquent debt, but excludes vehicle and student loan debt).



The application and selection process

Habitat for Humanity CNI's Assisted Home Ownership Programme is just part of its activity in the region.

Thanks to the generosity of funders, sponsors, supporters and volunteers, we're able to pay for and carry out building and to continue running our programmes.

The decision on where we choose to build a house each year is made based on various factors, including

the demonstrated need for home ownership within a particular community, the availability and cost of land.

The application, interview and build process is designed to make sure we select a family or families who have a genuine and demonstrated need for housing, a willingness to delivery on the agreed outcomes, and potential to permanently lift themselves out of poverty.

1

Habitat advertises that there is an Assisted Home Ownership Programme opportunity in your community.

2

Complete an Assisted Home Ownership Programme Application Form and send it in.

3

In-home interview. For families who have been shortlisted. Two representatives from the Habitat selection panel will visit (within one month of application).

4

Full interview with selection panel. For families who have been shortlisted.

5

Education workshops. Families will be invited to take part in workshops, designed to cover important topics relevant to entering a partnership with Habitat.

6

Second interview with selection panel.

Long Term Purchase and Sale Agreement (LTSPA). After a five-year rental period, and if obligations have been met, the family may be invited to sign an LTSPA.

Dedication. Habitat and the family hold a 'dedication' event prior to moving in. This may or may not be faith-based, depending on the family's wishes.

Residential tenancy agreement and bond. Family is invited to sign a Residential Tenancy Agreement and Bond Lodgment Form prior to moving in.

Building starts. The successful family, their family, friends and volunteers build the home. The family begins and continues to work towards completing 500 hours of Sweat Equity.

Umbrella Agreement. The successful family is invited to discuss and sign an umbrella agreement before the build starts.

Successful family is selected and notified. All families are notified via phone and letter. Unsuccessful families' info is held with a view to possible future opportunities.

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Give and take - our responsibilities



Partner families

Build a simple decent home for partner families to rent, with a view to own.

Help to maintain the property.

Treat you with respect. This includes respect for your culture, values and beliefs, as well as your right to personal privacy.

Ensure fair treatment, free from discrimination, harassment or coercion.

Provide a service of an appropriate (high) standard in a way that supports your dignity and independence.

Effectively communicate with you and keep you informed.

Make sure you have reasonable access to information about your tenancy and decisions that are made about it.

Provide you with ongoing support.

Comply with the conditions outlined in your agreement(s).

Complete a minimum of 500 sweat equity voluntary hours.

Pay your house payments in full and on time (includes bond).

Ensure your home, including grounds and gardens, are clean and tidy at all times.

Advise Habitat staff of any changes in circumstances, financial or living situation.

Participate in education workshops.

Be available for house inspections.

Role model good behaviour.

Frequently Asked Questions

How long does the selection process take from start to finish?

Up to 12 months – this includes the application, interview, selection and build process.

How long will it take to hear from Habitat once I have submitted my assisted home ownership application form?

You should receive a letter within two weeks to notify you of the outcome – whether that is accepted, declined, or ‘need more information’.

Habitat reserves the right to decline an application and or review eligibility criteria without notice. Habitat’s decision is final and no correspondence or discussion will be entered into.

Am I only interviewed if Habitat has chosen to build in an area I have indicated on my application?

Only those families who have completed the required forms, who meet our eligibility criteria and who have highlighted on their forms the chosen area Habitat have decided to build in are interviewed.

Families who have completed their forms, who meet our eligibility criteria but have not signalled the chosen area on their form will be invited to an interview at a later date – closer to the time if Habitat decides to build in their preferred area.

What does the interview process look like?

It is Habitat’s preference to interview families in their home first. All family members will be invited to sit in with our partner family selection committee shortly after (when all the members are able to come together) to discuss housing needs and why they deserve to be the chosen family for the next Habitat home.

What happens to my information after an interview?

Paperwork is passed on to and held by the partner family selection committee until a family has been chosen.

Is it compulsory for families to work with a budgeter and attend education workshops?

Yes, to be selected you must demonstrate that you have worked with a budgeter and have completed a budget worksheet. Workshops will run over a period of 12 (split) weeks – generally 3 hours per session. Families are notified weeks in advance before the education workshops commence.

Family members can alternate what day to attend

How will I know if I am successful?

Families will be notified via telephone, followed by written notification.

What is an umbrella agreement (UA)?

It is an agreement that is signed by both parties covering

the period of the partnership. It includes sweat equity requirements, conditions for grant of tenancy, conditions of sale and purchase of the property, satisfaction or non-satisfaction of conditions, partnership obligations and other matters and schedules. The UA outlines the build specifications and families sweat equity hours obligations.

What is a residential tenancy agreement (RTA)?

Outlines landlord and tenant responsibilities. A family will initially occupy the house as a tenant until all the conditions of the umbrella and tenancy agreements have been completed. At this point the home ownership process will commence and will be formalised by a Long Term Sale and Purchase Agreement.

What is a Long Term Sale and Purchase Agreement?

An LTSPA is an agreement that sets out in writing all the agreed terms and conditions of the sale and purchase of a Habitat home. It includes but is not limited to sale price, chattels, possession and settlement. The agreement will also set out obligations and conditions that the buyer and/or seller must abide by. These may include what access the buyer may have to inspect the property before settlement and ensuring the property remains insured until the settlement date.

What will I be required to pay if successful?

Before you move in, you will be required to pay a bond of \$750. Following this, you will be required to make regular house payments that will be set at 30% of your gross (combined) household’s income or 75% of private market rental – whichever is highest.

It is important to note, the lowest we will charge is \$250 per week and income reviews will take place on 1 July each year until you settle. If you do not submit your combined household income details during the review timeframe, your house payments will be set at market rate until such times you do so.

Habitat will provide you with 60 days written notice before any increase takes place. You will be notified early April to provide your household income verification details.

How much will I need to pay to buy the house from Habitat?

The price of your house (if all partnership requirements are met) will usually be the Current Market Valuation, including the value of the land, at the time of occupation. We take steps to help preserve the present day value of the houses by annually adjusting for inflation. This ensures that at the end of the repayment, another house can be built for a family in need.



Habitat
for Humanity[®]
Central North Island



A world where everyone

has a decent place to live

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