



A world where everyone

has a decent place to live

# Progressive Home Ownership

Handbook for applicants

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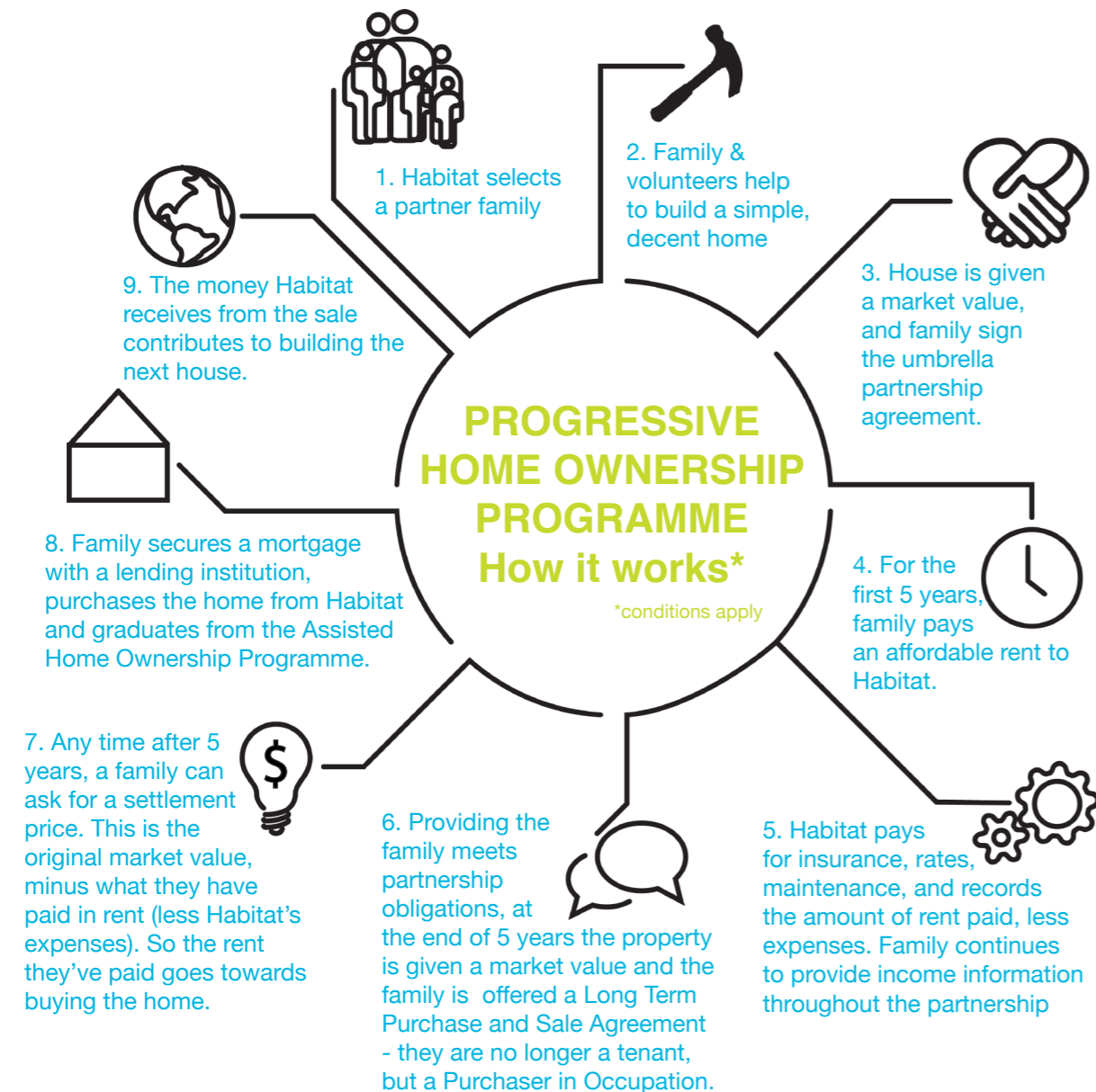
# Introducing Habitat for Humanity

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:

- Progressive 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.



## 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 \$1500. 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.

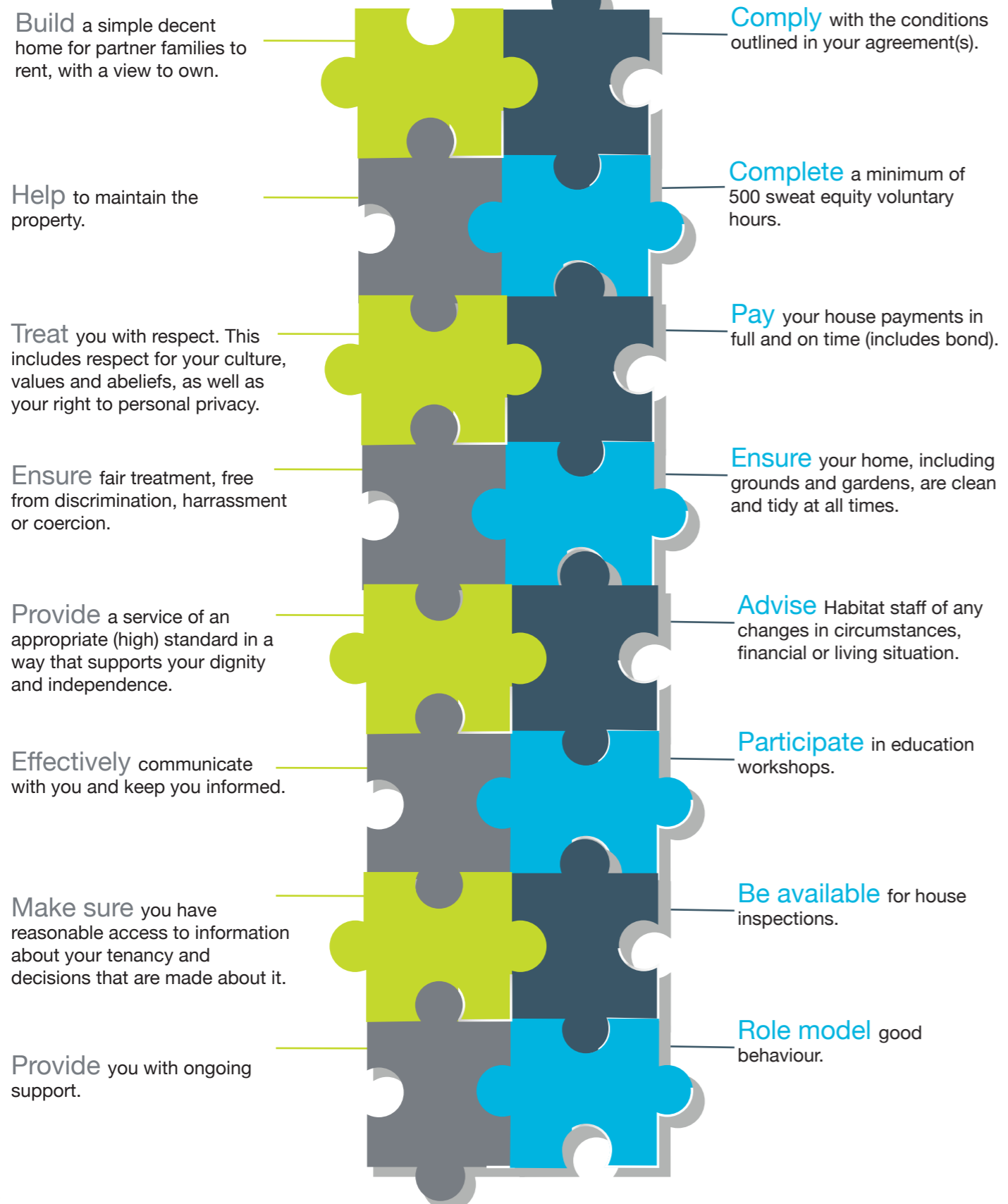
It is important to note, the lowest we will charge is \$250 per week and income reviews will take place on 1 July each year until you settle. If you do not submit your combined household income details during the review timeframe, your house payments will be set at market rate until such times you do 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 a time habitat selects during the first 5 years. 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.

# Give and take - our responsibilities



# A hand-up, not a hand-out

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

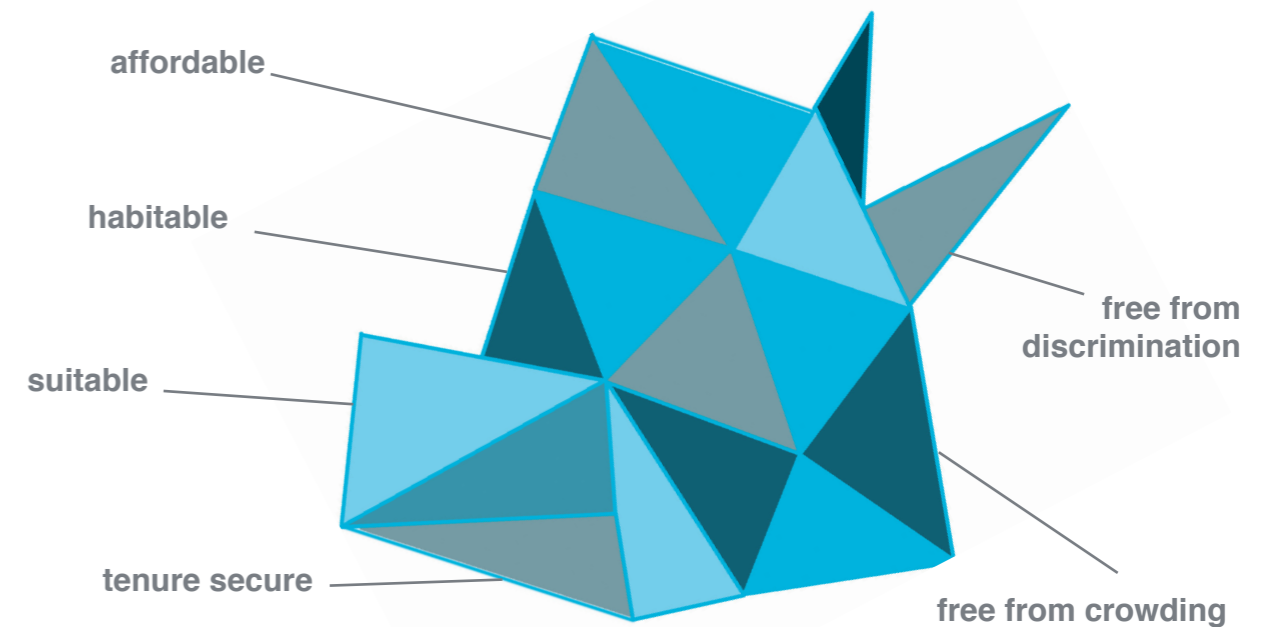
All families who are part of the Progressive Home Ownership Programme invest a minimum of 500 SWEAT equity hours towards different aspects of the process. This includes assisting with the build, participate in a range of education workshops and complete any

remaining SWEAT equity hours by volunteering at our 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.

# Progressive 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

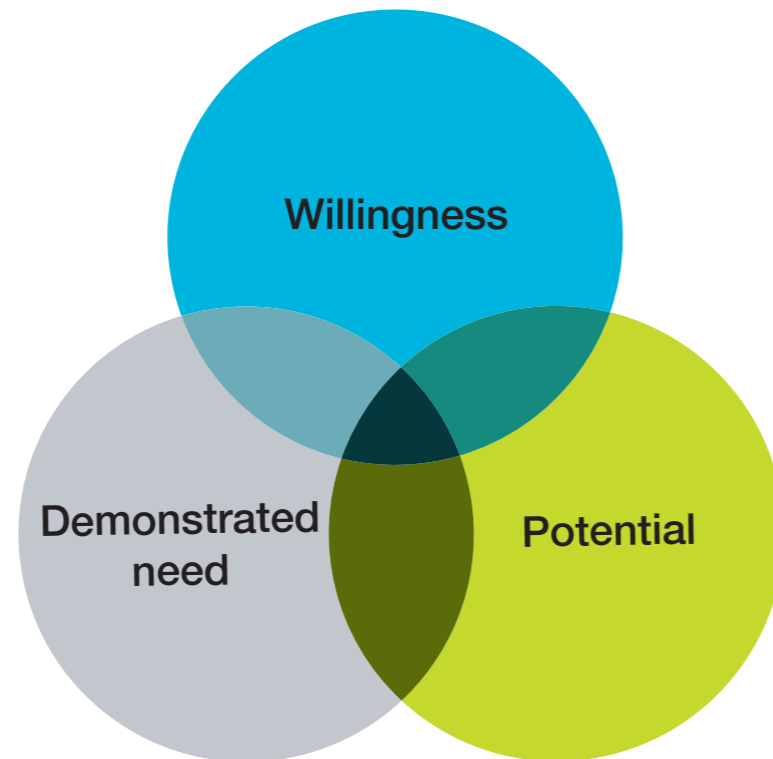
Families considered for the Assisted Home Ownership Programme are living in a situation of housing inadequacy. They have a stable household income which will enable them to meet the required repayments. Aspects that help to demonstrate their need for permanent housing and home ownership might include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

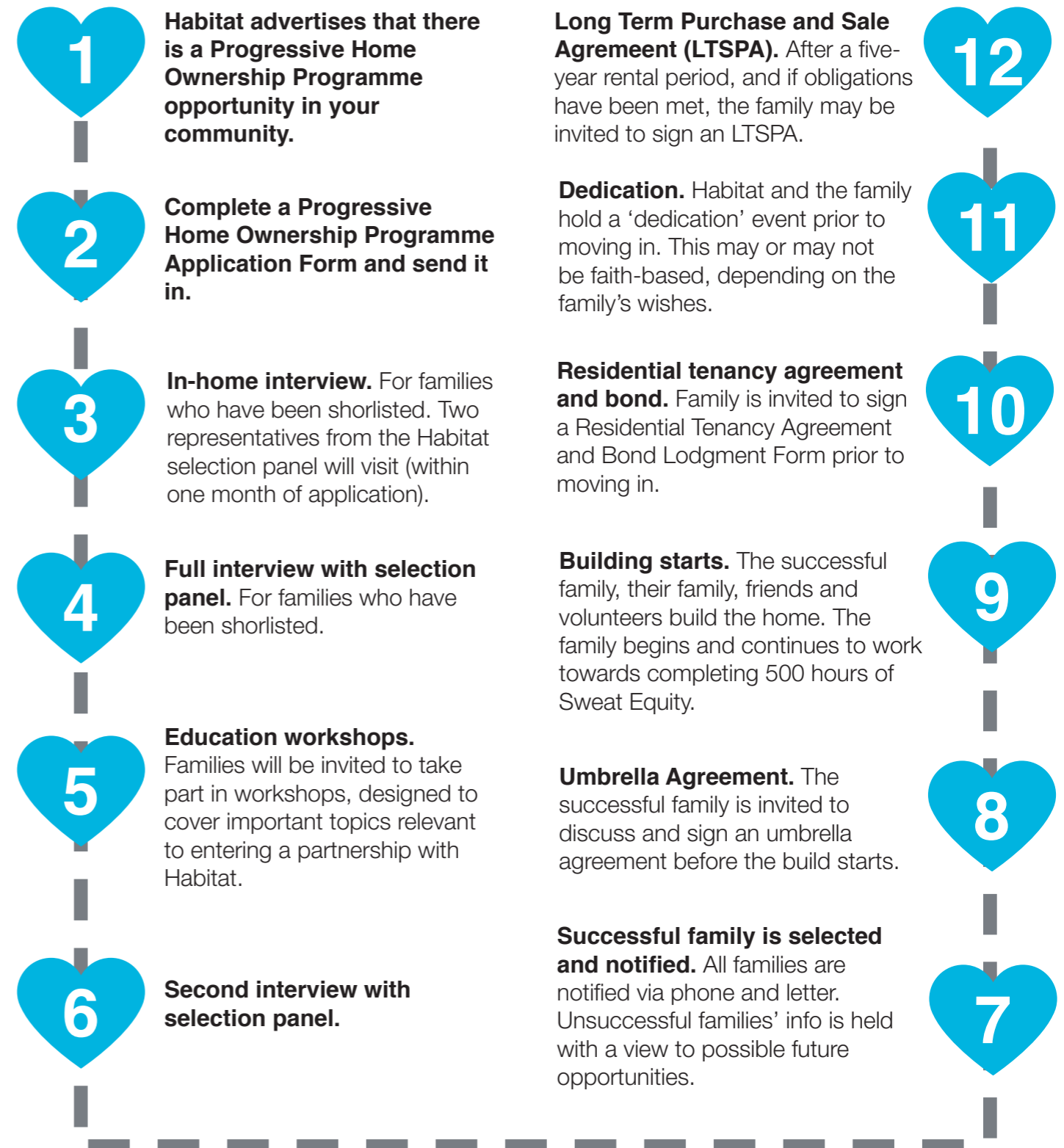
Habitat for Humanity Central Regions's Progressive Home Ownership Programme is just part of its activity in the region.

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.



# Expression of interest Form

## PROGRESSIVE HOME OWNERSHIP

**APPLICANT DETAILS**

Applicant 1 full name \_\_\_\_\_ DOB \_\_\_/\_\_\_/\_\_\_

Applicant 2 full name \_\_\_\_\_ DOB \_\_\_/\_\_\_/\_\_\_

Current address \_\_\_\_\_

\_\_\_\_\_

Phone: home \_\_\_\_\_ Work \_\_\_\_\_ Mobile \_\_\_\_\_

Email \_\_\_\_\_

<b>CHILDREN / FAMILY</b> <i>Please list children who would live with you, if your application is successful, and, if applicable, any other extended family/whanau who would live with you.</i> Full name (complete on additional sheet if necessary)	Date of birth/age	Gender
	/ /	
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**ETHNICITY** Which best describes your family

NZ of European descent  NZ of Maori descent (iwi, if applicable) \_\_\_\_\_

of Pacific Island descent  Asian  European  Other (specify) \_\_\_\_\_

**CURRENT ACCOMMODATION** Are you

Renting  Boarding  In Housing NZ accommodation  Emergency accommodation

Other (please detail) \_\_\_\_\_

How long have you lived in your current accommodation? \_\_\_\_\_

How much rent or board are you paying? \$ \_\_\_\_\_ per week / per fortnight

Do you receive an accommodation benefit? YES / NO \$ \_\_\_\_\_ per week / per fortnight

**INCOME** Please tick all types of income you receive and complete amount details

<input type="checkbox"/>	Wages or salary – applicant 1	Employer Full time/part time/casual/temporary	\$	week/fortnight/month
<input type="checkbox"/>	Wages or salary – applicant 1 (second income)	Employer Full time/part time/casual/temporary	\$	week/fortnight/month
<input type="checkbox"/>	Wages or salary – applicant 2	Employer Full time/part time/casual/temporary	\$	week/fortnight/month
<input type="checkbox"/>	Wages or salary – applicant 2 (second income)	Employer Full time/part time/casual/temporary	\$	week/fortnight/month
<input type="checkbox"/>	Benefit – applicant 1	Type of benefit	\$	week/fortnight/month
<input type="checkbox"/>	Benefit – applicant 2	Type of benefit	\$	week/fortnight/month
<input type="checkbox"/>	Working for Families		\$	week/fortnight/month
<input type="checkbox"/>	ACC payment		\$	week/fortnight/month
<input type="checkbox"/>	Other (eg board)	Please state	\$	week/fortnight/month
<input type="checkbox"/>	KiwiSaver – applicant 1		\$	
<input type="checkbox"/>	KiwiSaver – applicant 2		\$	

**LOCATION** Where do you wish to live?

- |                                     |                                     |                                      |                                 |
|-------------------------------------|-------------------------------------|--------------------------------------|---------------------------------|
| <input type="checkbox"/> Hamilton   | <input type="checkbox"/> Rotorua    | <input type="checkbox"/> Hastings    | <input type="checkbox"/> Napier |
| <input type="checkbox"/> Gisborne   | <input type="checkbox"/> Taupo      | <input type="checkbox"/> Putaruru    | <input type="checkbox"/> Tirau  |
| <input type="checkbox"/> Otorohanga | <input type="checkbox"/> Taumarunui | <input type="checkbox"/> Other _____ |                                 |

I certify the information included in this document is true and accurate, as best to my knowledge. *Co-applicant to sign if applicable.*

Signed: \_\_\_\_\_ Signed: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Please send form to 29 Bryant Road, Te Rapa, Hamilton 3200 or via email [dave.white@habitat.org.nz](mailto:dave.white@habitat.org.nz)