



**Habitat**  
for Humanity®  
Northern Region

# **Progressive Home Ownership**

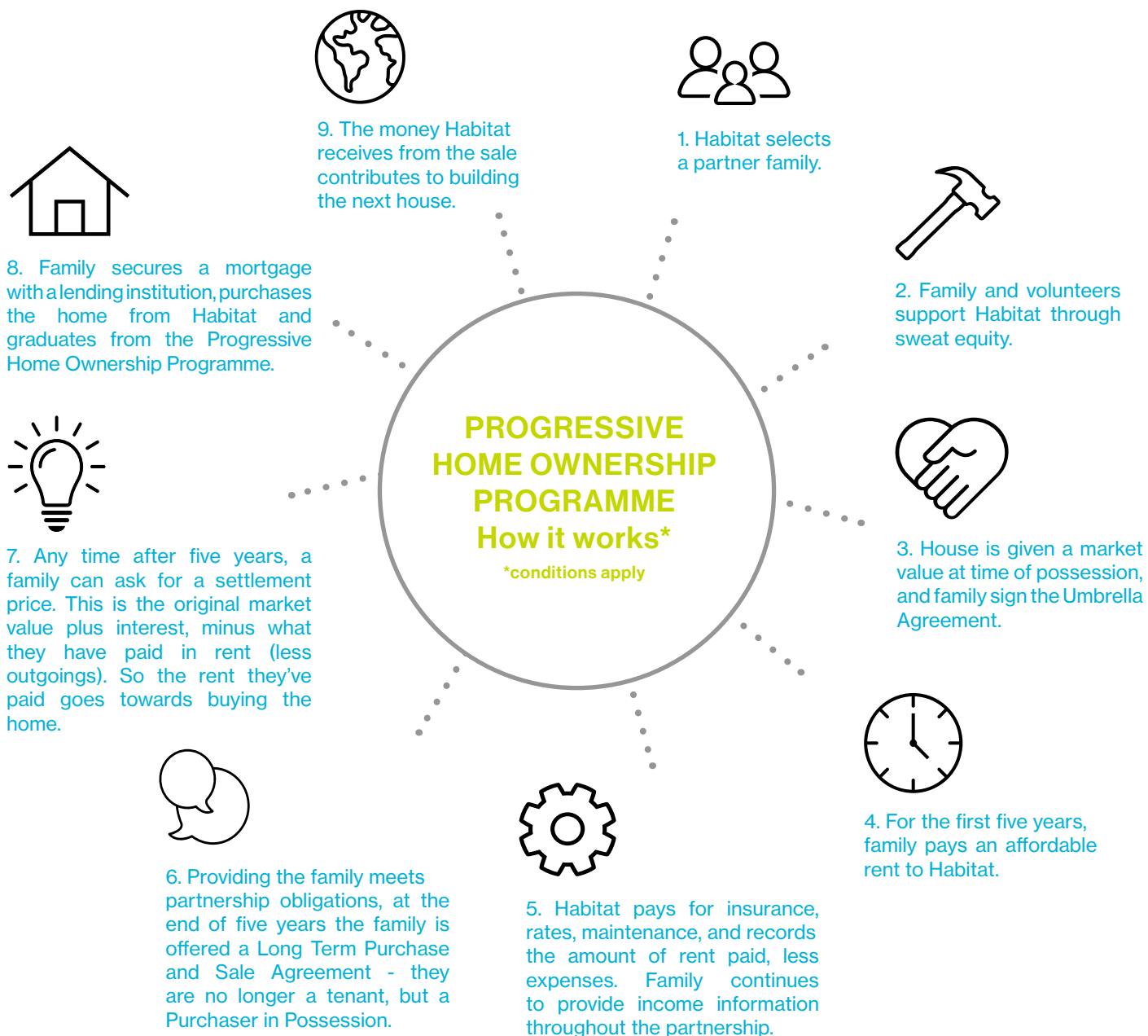
Handbook for applicants

# Introducing Habitat for Humanity

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

- Progressive Home Ownership
- Home Repair Programmes
- Social Rentals
- Curtain Bank

Our Progressive 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. Progressive 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.



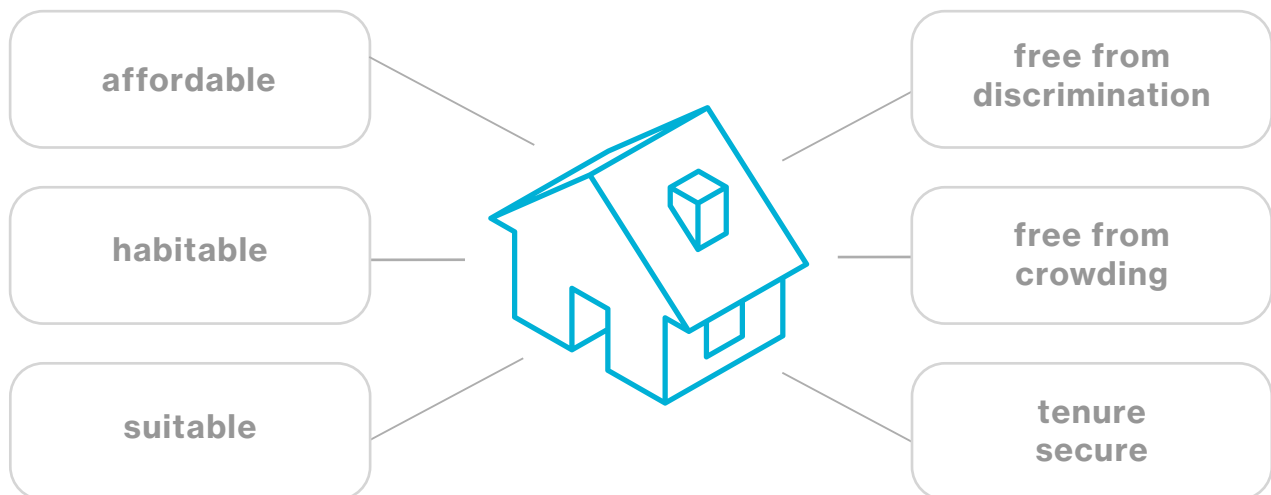
# A hand-up, not a hand-out

**Willingness is a significant part of the 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, participating in financial capability building and completing any remaining sweat equity hours by volunteering at our Habitat ReStores. Families are required to make regular affordable repayments over the duration of the long-term partnership. 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 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 us?

- We don't own any property.
- Our current living situation doesn't suit our needs.
- We are paying more than 30% of before tax income on rent.
- We have some money in our KiwiSaver.
- We are willing to be in a long term partnership with Habitat.

# Partner selection criteria

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

## Willingness

Families must be willing to:

- engage in a long term partnership
- perform a minimum of 500 sweat equity hours
- participate in financial capability building
- work with a financial mentor

## Demonstrated need

Families considered for the Progressive 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.

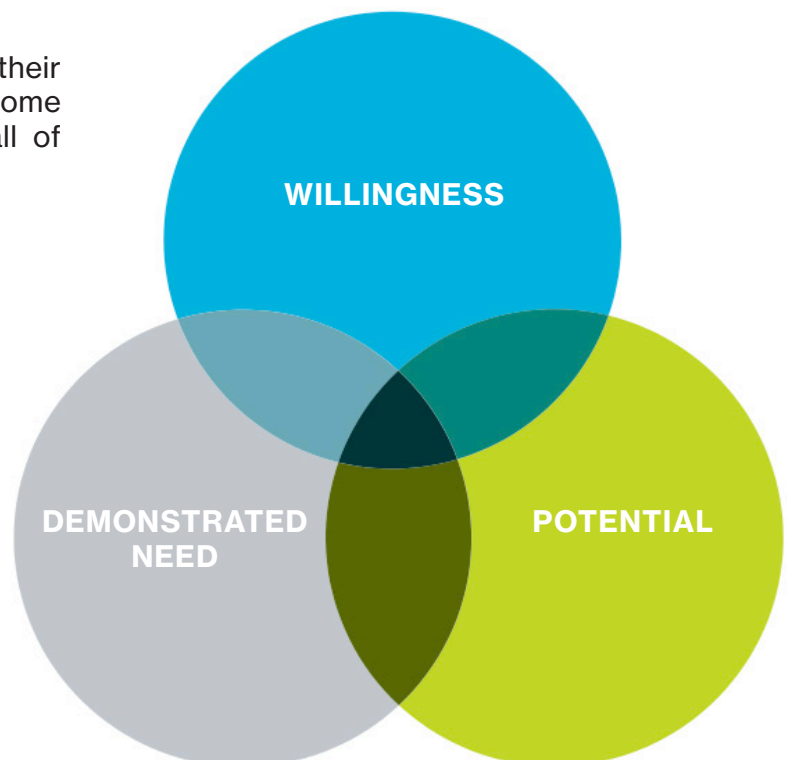
Aspects that help to demonstrate their need for permanent housing and home ownership might include some or all of the following:

- Overcrowded home
- Cold, damp, uninsulated home
- Proven health, disability or psychosocial need
- Unaffordable rent
- Insecure tenure
- Home unsuitable for family circumstances
- Limited savings for a deposit on a home

## Potential

Families must:

- have New Zealand citizenship or permanent residency
- have worked or lived in the 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
- can show existing debt is being managed



# The application and selection process

Habitat for Humanity Northern Region'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, as well as a willingness to work with Habitat to deliver the agreed outcomes.

## Selection process



**Habitat advertises that there is a Progressive Home Ownership Programme opportunity in your community.**



**Families complete a Progressive Home Ownership Programme Application Form and send it in.**



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



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



**Second interview with selection panel.**



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



**Successful family is selected and notified.** All families are notified via phone and letter. Unsuccessful families' information is held for possible future opportunities.



**Umbrella Agreement.** The successful family is invited to discuss with a lawyer and Habitat, then sign an Umbrella Agreement before the build starts.



**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.



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



**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.



**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.

# 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.

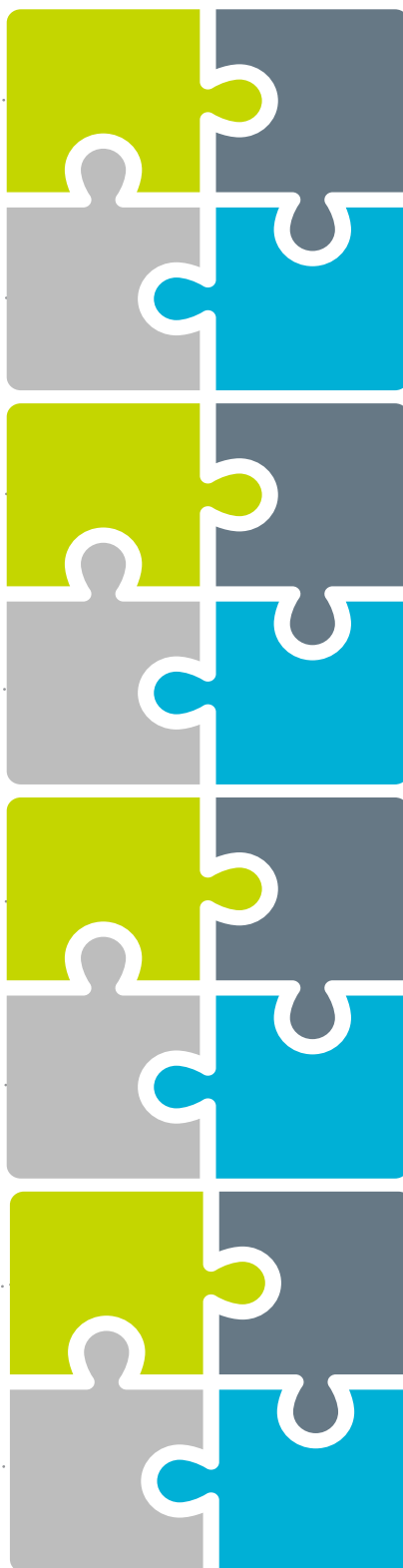
**Ensure** fair treatment, free from discrimination, harassment or coercion.

**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 to ensure you reach your home ownership goal.



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

**Complete** a minimum of 500 sweat equity 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 financial capability building.

**Be available** for house inspections.

**Role model** good behaviour.

# FAQs

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

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

## 2. How long will it take to hear from Habitat once I have submitted my Progressive Home Ownership Application Form?

You should receive a letter within 20 working days 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.

## 3. 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 are applying to be the chosen family for the next Habitat home.

## 4. 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.

## 5. Is it compulsory for families to work with a financial mentor and attend financial capability building?

Yes, to be selected you agree to work alongside a financial mentor and attend financial well-being sessions.

## 6. How will I know if I am successful?

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

## 7. 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.

## 8. What is a Residential Tenancy Agreement (RTA)?

The Residential Tenancy Agreement 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.

## 9. 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.

## 10. What will I be required to pay if successful?

Before you move in, you will be required to pay a bond, no higher than five times your weekly rent. Following this, you will be required to make regular house payments that will be set at a minimum of 30% of your (combined) household’s income before tax.

Income reviews will take place regularly 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.

## 11. 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 at occupancy. In addition, any interest that is born through Habitat’s acquisition of the home is added annually to the purchase price.



**A world where everyone**

**has a decent place to live**

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