

Policy for Secure Home Programme Eligibility Criteria and Parameters – 1.7

June 2022

Updated October 2022, February 2024, August 2024

Background:

The primary goal of the Secure Home (SH) programme is to provide an opportunity for committed residents of the Queenstown Lakes District to enter into affordable home ownership, where they wouldn't be able to purchase independently.

Policy:

Eligibility Criteria

1. The income range for the SH programme is from Band Level 6 up to either Band Level 7 or IRD's income cap, whichever is the lower, as per QLCHT's Household Income Table.
2. There is the ability to accept an income of up to Band Level 8 of QLCHT's Household Income Table (even if greater than IRD's income cap), but only on authorisation by the Chief Executive, so that regulatory compliance requirements continue to be met.
3. The property must be used exclusively as the household's primary residence, i.e. it is not to be used as a second home or holiday house.
4. Households cannot vacate the property for more than four weeks of the year, without the prior permission of QLCHT.
5. Households are able to sublet their property for a maximum of four weeks a year.
6. Applicants cannot own, or have a financial interest in, any other property.
7. Households must have been in the district for a minimum of 6 months.
8. At least one member of each household must be a New Zealand resident or citizen.
9. At least one member of each household must be in full time employment in the Queenstown Lakes District (minimum 30 hours per week average).
10. Households must be able to raise the required deposit, and home loan from a partnering bank, in order to meet the Upfront Payment.

Programme Parameters:

11. Households allocated a home through SH will engage a solicitor of their choosing, as they sign QLCHT's *Secure Home Agreement*.

12. An Upfront Payment will be set based on the actual cost and/or value of the improvements. If a discount is provided by QLCHT for the Upfront Payment, there will be a clearly documented record of this, including the rationale around the decision.
13. A leasehold title will be registered in favour of the purchasing household, for a term of 100 years.
14. Households must remain in the SH programme for a minimum of three years.
15. Households may have flat mates or boarders in the property.
16. A Ground Rent will be established based on a percentage of the market land value.
17. Ground Rent is to be paid monthly in advance to QLCHT, on the 1st of each month and is adjusted annually on the anniversary to match inflation (capped at 2.0% annually).
18. Households are to assume full responsibility for home maintenance, as set out in the Secure Home Maintenance Schedule, which forms part of the Secure Home Agreement.
19. Households must always meet the financial obligations of SH, such as home loan repayments, Ground Rent, Council rates, house insurance and home maintenance costs.
20. The home remains the property of QLCHT and will be returned to QLCHT when it is no longer required by the household, as set out in Clause 9 of the Secure Home Agreement.
21. The buy-back price for QLCHT includes provision for an inflation-based adjustment (capped at 2.0% annually).
22. Allocation of SH properties will be based on length of time on the waiting list, in line with the Allocation of QLCHT Properties Policy, 9.15.
23. All SH households will be subject to QLCHT's Housing Management Policy, 9.3.