



QUEENSTOWN LAKES  
**Community  
Housing Trust**

Unlocking homes in our community.

# Secure Home

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Affordable Home Ownership

Delivered by the Queenstown Lakes Community Housing Trust |

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Secure Home was pioneered by the Queenstown Lakes Community Housing Trust (QLCHT) and launched in 2019.

Designed to provide an alternative pathway to home ownership that is affordable and stable, Secure Home enables committed residents of the Queenstown Lakes District to settle and thrive in our region.

The ownership structure of Secure Home allows for QLCHT to hold these homes in perpetuity, so that the community can continue to benefit from the programme into the future.

# An overview



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Secure Home is a leasehold model of ownership, where you buy the house (based on the cost to build), but not the land.

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

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When you no longer require the house, QLCHT purchases it back from you at the same price you originally paid plus an adjustment for inflation (capped at 2% p.a and maintenance.

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

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The Ground Rent is reviewed annually, and only adjusted to match inflation (capped at 2%).

# Eligibility criteria

- ✓ You must have resided in the Queenstown Lakes District for at least six months.
- ✓ 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 \$130,000 annual household income before tax.
- ✓ You need to have a minimum of 5% of the purchase price as a deposit.
- ✓ You will need approval for a home loan from a partnering bank, sufficient to meet the purchase price, when added with your deposit.

# Your obligations



- ✓ You must commit to a minimum of three years in the home.
- ✓ It must be your permanent home; you cannot sublet the property for more than 28 days in any 12 month period.
- ✓ You cannot purchase any other property while you are in Secure Home.
- ✓ All maintenance, including QLCHT's scheduled maintenance requirements, are your responsibility.
- ✓ Allow QLCHT 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, house insurance premiums, Council rates and maintenance costs.

# The cost of Secure Home



Below is a full list of the costs involved for Secure Home\*.  
All these costs (except Ground Rent) are standard for anyone who owns a home.

## Initial purchase costs

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- Lawyers fees
- Bank home loan fees
- Valuation fee

## Ongoing costs

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- Home loan repayments to your bank
- Ground Rent to QLCHT
- Property rates to the Queenstown Lakes District Council
- Regional rates to the Otago Regional Council
- House insurance premiums
- House maintenance costs
- Body corporate levies (where applicable)

\*The exact costs of Secure Home can only be ascertained at the time a property becomes available.

# Raising a deposit

The illustration below shows the variety of ways you can pull together a deposit for a home, including the three Government initiatives designed to support first home buyers (more on these next).

Banks usually require a 20% deposit, but if you qualify for **Kāinga Ora's First Home Loan** the deposit requirement is reduced to as low as 5%.

This means you may have enough now for a deposit on a home!





# 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

- ✓ Available for first home buyers (and previous home owners should your financial position be similar to that of a first home buyer, as determined by Kāinga Ora).
- ✓ You must have been a member of KiwiSaver for at least three years.
- ✓ If eligible, you can withdraw your KiwiSaver savings (including government contributions and tax credits), however at least \$1,000 must remain in your KiwiSaver account.
- ✓ As approved by your KiwiSaver provider (not all KiwiSaver providers allow a withdrawal for this purpose).

**How to apply** contact your KiwiSaver provider. If you are a previous home owner, you will also need to contact Kāinga Ora.

# Kāinga Ora First Home Loan



The First Home Loan helps eligible first home buyers secure a home loan, by reducing the deposit requirement to as little as 5%.

## The following eligibility criteria must be met

- ✓ Available for first home buyers (and previous home owners should your financial position be similar to that of a first home buyer, as determined by Kāinga Ora).
- ✓ Income before tax must not exceed \$95k p.a. for a single purchaser, or \$150k p.a. where you have a partner or dependent children.
- ✓ You must have a minimum deposit of at least 5% of the purchase price.
- ✓ The house you are buying must be within the regional house price cap (for the Queenstown Lakes District, the house price cap is \$925k for new properties or \$875k for existing properties).

Apply online at [kaingaora.govt.nz](https://kaingaora.govt.nz)

# 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, QLCHT will purchase it back from you.

**The amount paid back to you (reversion price) is calculated as follows**

- the** original purchase price
- plus** inflation adjustment for the period the home was owned by you (capped at 2% p.a)
- plus** any previously agreed costs for home improvements
- plus** inflation adjustment for the agreed home improvement costs
- less** outstanding scheduled maintenance items as per QLCHTs schedule (prorated)
- less** any monies owed to QLCHT

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

# 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**

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a home ownership model far more affordable than purchasing in the open market.

## **Financial security**

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no longer paying rents as determined by private landlords.

## **Housing stability**

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no longer at risk of a landlord ending your tenancy.

## **Comfort**

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well constructed homes that are healthy, warm and dry.

## **Asset ownership**

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you are purchasing an asset, that is bought back by QLCHT when you're ready.



# 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 closely 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 that you can continue to meet all your financial obligations.

## The bank will want to see at least 3 months history of the following:

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- Your income (if self-employed, your financial accounts)
- Your expenses and spending habits
- Your debt servicing commitments

## Here are some tips to get in the best possible position:

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- Remove expenses like AfterPay and layby, as these greatly impact your ability to borrow.
- Manage your day to day spending and consider removing any unnecessary outgoings.
- Be aware of your bank account conduct. Make sure there are no unarranged overdrafts or dishonours.
- Where you can, reduce or cancel lines of credit such as credit cards, store cards, overdrafts, personal loans etc.

# An example

Brand new 3-bed QLCHT house which cost \$470k to build:

Home Loan	\$ 376,000	Home loan repayments*	Weekly \$ 493
Deposit (20%)	\$ 94,000	Rates, insurance & maintenance	\$ 308
<b>Upfront purchase price</b>	<b>\$ 470,000</b>	Ground rent (1.5% on \$400k section)	\$ 115
		<b>TOTAL</b>	<b>\$ 910</b>

Compared to renting, Secure Home can provide reduced costs and greater housing security.

\*Repayments on home loan over a 30-year term @ 5.5%, and repayments include principal so home loan getting paid off.





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# Secure Home

For some it's an affordable and secure home for life.

For others it's a great alternative to renting, and a stepping stone towards independent ownership.



# Where to next

To begin your journey towards assisted home ownership with QLCHT, all you need to do is visit our website and click 'register interest'.

[qlcht.org.nz/register-interest](http://qlcht.org.nz/register-interest)

One of our team will then call you to assess your eligibility.

If eligible, you will be placed on our waiting list and start receiving quarterly updates via email about our developments and be invited to apply for suitable housing opportunities when they arise.

When a suitable housing opportunity arises, we'll contact you by email to seek your interest.



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# Quick facts about QLCHT

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We are a community owned, not-for-profit organisation, established in 2007 to tackle the housing challenges faced throughout the Queenstown Lakes District.

We offer a range of housing programmes, carefully designed to ensure all eligible households can access affordable and secure housing, regardless of their current financial position.

QLCHT is governed by a board of six Trustees, all of whom live in our community and have extensive professional experience in areas relevant to our work.

We're a registered community housing provider, regulated by the Community Housing Regulatory Authority (a Government body).

We place the wellbeing of our clients at the heart of our work.

# Queenstown Lakes Community Housing Trust

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Our vision is to transform the lives of committed people in our district by providing them an opportunity to secure an affordable place to call home.

## Thanks to

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Our Secure Home partners and stakeholders

