

HomeforLife – An Affordable Ownership Programme

Our HomeforLife Programme helps people who have a significant level of equity or assets (cash, savings or value in a home they own) but do not have enough to purchase an alternative home, or the income to access a mortgage. If you own such a home, it is likely that the home is no longer suitable for your needs.

This programme provides a way of using the assets you have to contribute towards the ownership of a home while Homes for People owns the other portion, removing the need for a bank mortgage.

You might be facing one of the following challenges:

- 🏠 You want a safe, secure, suitable home that meets your needs.
 - 🏠 You do not have the level of income that means a bank will approve you a mortgage.
 - 🏠 You have a sizable deposit (over 50% of a new Homes for People home).
 - 🏠 If you rent, you will start to use up this deposit.
- Or
- 🏠 You own a home, but it is not suitable for your needs.
 - 🏠 If you sell your home, you will have no way to buy another.

Here's how the HomeforLife Programme could help:

- 🏠 You buy a portion of a Homes for People home and Homes for People retains ownership of the remaining portion.
- 🏠 You pay a weekly HomeforLife contribution to covers expenses such as rates, insurance and cost of capital.
- 🏠 If you wish to make extra payments to increase your share in the property, you are welcome to do so but there is no obligation.
- 🏠 When you no longer wish to live in the home, you can sell your portion and get the registered market value for your share.

If you do own a home that is no longer fit for your needs, Homes for People is interested in exploring working together to develop that site.

Find out more detail on HomeforLife in our Frequently Asked Questions (FAQs)

HomeforLife FAQ

ENTRY QUALIFICATION

How do I qualify?

To qualify for HomeforLife you need to be:

- 🏠 A first time home buyer¹,
- 🏠 Have a good credit record, and
- 🏠 Have a regular household income.

You may also:

- 🏠 Own a home that no longer suits your needs.

What if I'm on low pay?

Your income level needed will depend on the amount of equity you have.

We've had credit problems in the past?

This may not be a problem. We'll review your circumstances, and you can get financial advice to help clear your debts.

Is there anything else I need to do?

A home ownership education programme may be a requirement and is to be completed before or shortly after taking occupancy of the property.

How do I apply for the HomeforLife programme?

Check our Step by Step Guide for our basic criteria. Then complete a Registration of Interest Form.

What independent advice should I take?

You may wish to talk to a solicitor, financial advisor or family friend. Feel free to ask them to talk to us.

How is the cost of the weekly payments assessed?

The weekly payments depend on the portion of the home that you own but they would be significantly below the market rent for the property and will be limited to increases of not more than 3% a year.

THE PROPERTIES

How big are the houses and are they new?

The properties will generally be new, or near new, one or two bedroomed homes, often as units. A few homes will be for larger households and on their own sections. They will generally be either brick and/or weatherboard construction, may or may not include a car-parking space, concrete driveway, fencing and clothesline. The houses will also have floor coverings and curtains.

¹ A first home buyer or a second chance home buyer who no longer is in home ownership

Can I make changes to the house being built?

No - The design and plans for the houses are determined by Homes for People. You are not able to amend the design or plans.

THE PURCHASE PROCESS

How do I own the home?

You buy your portion of the home through a sale and purchase agreement as you would any other home.

How long can I own the home?

You can live in the home for as long as you choose. Homes for People, as a charitable trust, has committed to being the co-owner for as long as you need it. Unlike a private landlord, Homes for People will have no reason to need to sell. You can put down your roots, raise children, plant a garden and become part of the local community.

In time, you may choose to buy some or all of Homes for People's portion but you are under no obligation to do so. This may be through cash payments or through accessing a bank mortgage.

What happens when I no longer wish to live in the home.

If you decide you wish to sell your portion, Homes for People will purchase it from you at a registered market value and they will then offer the home to another person in need of affordable housing.

If Homes for People do not want to purchase your portion of the home, the home will be sold and the money will be split proportionally.

Who values the property?

An independent registered valuer will assess the current market value of the property and a copy of the valuation will be provided to you.

FINANCE

What if I can't afford the weekly contributions.

This shouldn't happen. You are unlikely to be paying more than market rents.

Can Homes for People provide mortgage finance?

No, Homes for People does not provide mortgage finance.

Will Homes for People help us to find a mortgage?

Yes, we will assist with introductions to Banks if required, but to eventually buy the property outright, you will need to arrange your own mortgage from a bank or other financial institutions.

FULL OWNERSHIP

Who maintains my home if I choose to buy out Homes for People completely?

All maintenance from this point on will be your responsibility.

What if wish I sell the house after I have purchased it?

That's entirely your choice; there is the requirement to offer the property back to Homes for People to purchase it at the market price. This gives Homes for People the ability to purchase the house from you, and then offer it to another working household who may be trapped in the rental market. Please also note that you will not be eligible for our affordable housing programmes in the future.




Step by Step Guide

Thanks for your interest in our developments and what we do! Below is a Step by Step guide that takes you through our application process and obligations.

So that we can be sure to process your query or application as soon as possible, there are some requirements we need from you to help make the process run smoothly.

Step One: Read about the Housing Programmes and find out if what we offer is a suitable match to your particular situation.

You can read about our Home Ownership Programmes:

-  Affordable Housing Full Ownership
-  HomeSaver – an Affordable Rental Programme
-  HomeforLife – a Shared Ownership Programme

Step Two: Check Your Eligibility

Our basic preliminary criteria are:

All Applicants need to be a NZ Resident or a NZ Citizen

At least one member of the household is in full time employment (35+ hours per week)

Your Gross Household Income is between \$50,000 - \$110,000;

Or have a significant portion of equity, enough to purchase at least a 45% share of a home.

You are not a current homeowner in New Zealand or overseas (i.e. you are a first home buyer or returning to the housing market)

You are committed to owning your own home.

Please note; even if you meet all our preliminary criteria, we may not have a house to offer you at this time. Currently we are receiving many more expressions of interest than we have houses available.

Step Three: Complete your Registration Form

If you think you meet our basic criteria, please complete and submit an Expression of Interest Form through our web form. This provides us with enough of you and your family's basic information to enable us to assess your eligibility into one of our programmes.

Please be accurate and honest with the information you provide so you have the best possible chance of being invited to take the next step towards home ownership.

After submitting the Registration of Interest Form to us, one of our team will be in touch within two weeks to let you know if we have any homes available that meet your needs.

If we do, and you wish to apply for either our HomeSaver or HomeforLife, you will be invited to move to the next stage - a formal application.

Please refer to: Registration of Interest Form

Step Four: The Application

If you have met our preliminary criteria, one of our team will send you a formal Application Form to complete. This is a more comprehensive form that requires supporting documents. Please ensure you complete all sections fully.

You may also be asked to prepare a budget with a registered budget advisor (we can give you the details of budgeters closest to you), so that we can see your financial plan for the future.

You email your application to community@homesforpeople.co.nz or may post or drop off your application to 632 Pioneer Hwy, Palmerston North.

Our team will complete a thorough assessment of your Application and then will be in touch with you, by email or phone. This assessment can take up to three weeks as we receive a large number of applications, so please be patient. If you are successful with your Application, you will progress to the next step in the process. Our team will make sure you know what to do all the way through to the exciting part of the process when hopefully a home will be allocated to you and your household.

If you have any questions, please contact us on 022 024 3742 or email us at community@homesforpeople.co.nz

Your Obligations if you get a house in one of our programmes

Every year you will be contacted by one of our Homes for People team members to arrange a visit for an Annual Review; this is so we can have a chat about how you are enjoying your home and if you are on track with your financial goals.

The following obligations apply if you own all or part of your home:

It is your responsibility every year to pay the Annual Management Fee; this is a requirement for both of our programmes and is non-negotiable. If you do have trouble paying this fee, please let us know and we will do our best to come up with a suitable payment arrangement.

After the initial defect period has ended—two months after you move into the house—it is your responsibility to complete any maintenance that is needed on your property. Your house is likely to be your biggest asset in your lifetime; regular maintenance is very important to protect it. You will find some useful tips on this in your Residents Handbook that you received when you moved in.