

### **Policy on Staircasing Transactions – 3.11**

Queenstown Lakes Community Housing Trust  
18May2010

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#### **Background**

The intent of the Shared Ownership programme is to assist first home buyers into their own home. In all cases the buyer chooses their own home and negotiates the purchase price.

The Trust's intervention takes the form of passive capital through an equity position in the property.

As the owner's circumstances permit they may elect to staircase their percentage ownership by purchasing all or part of the Trust's interest in the property at the prevailing market price.

Like any market, property prices can vacillate and staircasing is not intended to provide opportunity to a homeowner seeking to exercise a right to staircase when a market price is lower than their own entry price.

Accordingly, the Trust has adopted a policy that will apply to all shared ownership transactions from May 18<sup>th</sup>, 2010. This policy does not require a legal change to the Shared Ownership Agreement but needs to be made clear to all new buyers to the programme.

#### **Policy Adopted Trustee Meeting May 2010**

QLCHT will not enter a staircasing transaction with a home buyer where the *Transfer Price* is less than the original purchase price of the house, i.e. the minimum Transfer price must be equal to or greater than the original purchase price.