

Policy for Secure Home Programme Eligibility Criteria and Parameters – 1.7

June 2022

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 maximum household income for the SH programme is set at Band Level 7, with the targeted income ranges for applicants of this programme being Band Levels 6-7 of the AMI*.
2. There is the ability to move up to Band Level 8 of the AMI, but only on authorisation by the EO 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 Secure Home 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 cost and/or value of the improvements.
13. A leasehold title will be registered in favour of the purchasing household, for a term of 100 years.

14. Households must remain in Secure Home for a minimum of three years.
15. A Ground Rent will be established based on a percentage of the market land value.
16. Ground Rent is to be paid to QLCHT on the 1st of each month and is adjusted annually to match inflation.
17. 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.
18. Households must always meet the financial obligations of SH, such as home loan repayments, Ground Rent, Council rates, house insurance and home maintenance costs.
19. 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.
20. 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.
21. All SH households will be subject to QLCHT's Housing Management Policy 9.3.

* AMI refers to the Queenstown Lakes Area Median Income (the midpoint of the region's income distribution where half of the households in a region earn more than the median and half earn less than the median). The AMI is adjusted annually by the average wage inflation rate, or as published by Statistics New Zealand. QLCHT's household income table outlines the various Band Levels for assessing eligibility.