

Purchasing Existing Homes Guidelines – 3.4

Queenstown Lakes Community Housing Trust

1 July 2008

Updated 13 March 2014

As a shared homeowner, the Housing Trust wants to make sure that your new home will be serviceable for many years. The following guidelines have been developed to assist you when considering whether a property is suitable or not is:

Factors to take into consideration include:

Location & General Design of the Property:

The property should be located in a popular area with adequate public infrastructure in place and possess general design features which will retain its saleability (these should be commented on in the valuation presented to the Trust).

Configuration:

The house must be of a standard configuration and have sufficient storage space and car parking area. The following table represents guidelines for minimum floor space per number of bedrooms;

Number of bedrooms	Minimum Residential Unit size (Area sqm)
Studio (0 bedroom)	35
1	45
2	70
3	90
4	115

State of Repair & Renovation Opportunities:

All dwellings regardless of their age should be of a good quality standard at the time of purchase, such that the homeowner will not face any major renovation work within the next 5-10 years.

All dwellings over 3 years old will be subject to a satisfactory building report which must be carried out by a professional building inspector approved by the Trust, and will be at the applicant's cost. Any issues arising from the builder's report which the Trust believes are material are required to be fixed as a condition of purchase – the responsibility then lying with the vendor to conduct the repair(s), or adjust the purchase price accordingly. If the purchase price has been reduced, the Trust reserves the right to require completion of the works within a specified time frame.

QLCHT-approved building inspectors are www.vbinspections.co.nz and www.ipil.co.nz

Ask yourself:

- Will the age of the property signify higher levels of maintenance required and thus higher costs for you in the future?
- Are kitchens, bathrooms, floor coverings, roofing etc in excellent condition and will not need replacing or upgrading for a minimum 5 years?

Insulation & Heating:

The Trust will not enter into the purchase of a home which is shown to have extremely inefficient insulation and heating. The Builders Report must comment on the state of the buildings insulation and heating in accordance with the above.

Ask yourself:

- Are the walls, roof and floor sufficiently insulated so you will not be spending excessive amounts on utilities each month to heat the home?
- What type of insulation is in place? i.e. Pink Batts, Foam etc.
- Does the location and positioning of the house enhance the warmth of the home?
- Does the house have a reliable and affordable source of heat capable of delivering 18C to all habitable rooms?

Legal Requirements:

Applicants must carry out their own due diligence on the property and report back with this information to the Trust. They will need to produce evidence of satisfactory title tenure and LIM report.

Valuation:

Any offer made on a property must be subject to full valuation by an independent Trust-approved valuer. The Trust will not enter into the purchase of a property if the valuation is less than the purchase price. All valuations must take into account any works required as a result of the builders report, and indicate a value post-completion of the works.

Note: QLCHT-approved Valuers are:

Queenstown - *Colliers International* or *APL*

Wanaka - *Central Property* or *Bruce Passmore*

Property Register:

To avoid Shared Ownership households competing for the same property and subsequently driving the price of it up, applicants must register their interest in a property by notifying the Trust if they intend to put an offer in on it. Applicants can only register one property at a time and have 10 working days to carry out their own investigation on it before making an offer.

Checklist when putting in an offer:

- Register the property with QLCHT.
- Ensure under the purchaser name on the sale and purchase agreement you add "*and/or nominee*" after your name.
- Make it conditional upon a satisfactory building report if over 3 years.
- Make it conditional upon a satisfactory Valuation.
- Make it conditional upon a LIM.