



# HomeShare

OPENING THE DOOR TO HOME OWNERSHIP

## Information Booklet

Turning the dream of home ownership into a reality for eligible Tasmanians.



Delivered by





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## What is HomeShare?

HomeShare can turn the dream of home ownership into a reality for eligible Tasmanians.

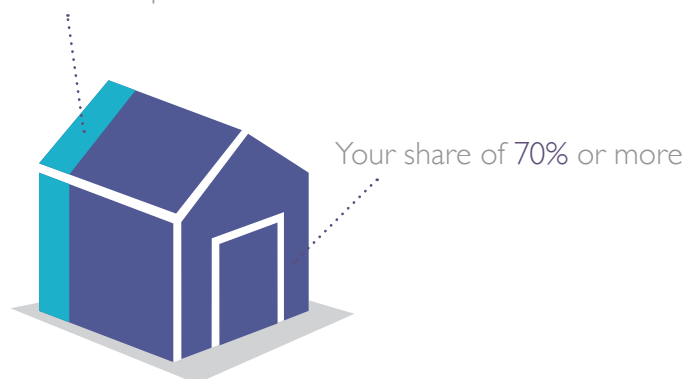
HomeShare reduces the initial cost of buying a house and the monthly cost of owning it. The scheme opens the door to home ownership for those who have enough income to make the step, but need a helping hand.

## How does HomeShare work?

Under HomeShare you share the cost of buying your home with the Director of Housing. By sharing ownership with the Director you may be able to buy a house you otherwise could not afford.

Through HomeShare you will own at least 70 per cent of your home. The Director contributes up to 30 per cent. The Director's share is capped at \$100 000 for house and land packages.

The Director's share up to 30%



The amount that the Director contributes depends on the sale price of the house and the size of your loan. You must borrow the maximum amount the Bank will approve.

Example: The house price is \$190 000; you would have to fund at least \$133 000 (70 per cent share) and meet relevant fees and charges, the Director would contribute \$57 000 (30 per cent, the maximum cap limit).

House Price	\$190,000	
HomeShare Home Loan	\$133,000	(70 % share)
Director's Contribution	57,000	(30 % share)

Under HomeShare you must pay out the Director's share before 30 years. You can do this by purchasing the Director's share or by selling the house.

The value of the Director's share will be calculated on the market value of the property at that time. The value may be higher, or lower, than when you bought it.

All HomeShare loans are funded by Bendigo and Adelaide Bank Limited. You must meet all the Bank's eligibility criteria including acceptable sources of income. You must make loan repayments and pay all costs including rates and insurance to maintain your home.

If you are eligible for a HomeShare loan, an Agreement will be signed by you, Bendigo and Adelaide Bank Limited and the Director of Housing. The Agreement sets out everybody's rights and obligations. If you fail to meet your obligations under the Agreement, the Director of Housing may take action against you.





## Am I eligible?

To be eligible for HomeShare you must:

- ✓ have an income to meet the costs of purchasing and owning a home
- ✓ be under income and asset limits (tenants in Housing Tasmania properties are exempt from this requirement)
- ✓ be an Australian citizen or permanent resident, living in Tasmania
- ✓ be an individual at least 18 years old (not a business or organisation)
- ✓ have a minimum deposit of \$3 000 **or five per cent of the purchase price, whichever is the greater**
- ✓ not own or have an interest in any other real property (land)
- ✓ not be an un-discharged bankrupt or discharged from bankruptcy within three years before the date of application
- ✓ not owe any money to Housing Tasmania
- ✓ not have received help under Streets Ahead or Home Ownership Assistance Program (HOAP) before
- ✓ be able to pay legal and establishment fees
- ✓ live in the house you buy (it has to be your main residence)



## If I am eligible, what property could I buy with HomeShare?

You may be able to buy the house you are currently renting from Housing Tasmania. Or you may be able to buy a house that Housing Tasmania offers for sale on the website [www.communities.tas.gov.au/housing](http://www.communities.tas.gov.au/housing)

You can also use HomeShare to buy a house and land package offered for sale by builders on the open market. Or you can build a new house on your own block of land.

If you are buying a newly constructed house on the open market, it must never have been lived in by anybody before.



## What income and asset limits apply?

To be eligible for HomeShare you need an income. But that income must be below certain amounts.

The total amount of income you receive while remaining eligible for HomeShare, depends on your household “type” as shown in the Income Limits table on the next page.

You must meet all the Bank’s eligibility criteria including acceptable sources of income.

If you are eligible, Tassie Home Loans will work out how much you can borrow.

Your financial assets must be no more than \$100 000.

Financial assets include cash, savings, lump sum payments other than compensation payments, net fixed assets of a business, realised superannuation funds and shares, bonds and investments.

Your normal household assets are not included unless they are luxury items.

Tenants who rent a Housing Tasmania property are exempt from income and asset limits.

## I’m not eligible, what are my options?

If you are not eligible for HomeShare but still need a home, there are other options available to you. Contact Housing Connect to discuss your housing needs.  
Call them on 1800 800 588.

## INCOME LIMITS

(June 2020)

HOUSEHOLD TYPE		GROSS INCOME LIMIT / LIMIT PER WEEK	GROSS INCOME LIMIT / LIMIT PER ANNUM
ADULTS	CHILDREN	\$	\$
2	0	1 829	95 119
2	1	2 196	114 180
2	2	2 562	133 242
2	3	2 929	152 304
2	4	3 294	171 271
ADULTS	CHILDREN	\$	\$
1	0	1 591	82 712
1	1	1 829	95 119
1	2	1 959	101 847
1	3	2 323	120 814
1	4	2 690	139 877

Income and asset eligibility limits are updated each year as of the 1st of July.





## How much can I borrow?

How much you can borrow will depend on income. Any existing commitments you have such as credit/store cards or car/personal loans may affect the amount you are able to borrow.

You need to be able to repay the loan in full within 30 years.

Your loan repayments will depend on the amount you borrow, the interest rate applicable at the time and the loan term you choose.

Be aware that interest rates may rise during your loan term, which could result in increased repayments on your loans.

If you fail to make your loan repayments, Bendigo and Adelaide Bank Limited may take action against you.

## Financial assistance

If you buy or build a new home you may be eligible for the First Home Builder Boost. Tassie Home Loans can provide on eligibility requirements.



## What are the costs?

You will need a deposit of five per cent of the purchase price.

Buying a house also involves paying taxes (duty) and a range of fees.

You will need to have a solicitor or a conveyance firm to process the buying of your share. You will receive \$500 assistance from the Director of Housing towards the costs of conveyance, preparation of the mortgage documentation and the drafting of the power of attorney.

The only repayments you are required to make are those through your loan contract with Bendigo and Adelaide Bank Limited.

However there are other costs associated with owning your own home. You are responsible for paying rates, maintenance and insurance on the property.

You must always have property fire and general insurance. The policy must note the Director of Housing's interest and Bendigo and Adelaide Bank Limited's interest.

Anglicare has independent financial counselling for free. They can help you work out your budget and whether you can afford to buy a house.

You can contact them on 1800 007 007.

## Buying a house from Housing Tasmania

You may be able to buy the house you are currently renting from Housing Tasmania or a house that Housing Tasmania offers for sale on the website at [www.communities.tas.gov.au/housing](http://www.communities.tas.gov.au/housing)

If you buy a house from Housing Tasmania, they will pay for the cost of getting an independent building report.

There is also help to assist you to replace essential major items in your house if they fail, for example the hot water cylinder. The Essential Maintenance Package (EMP) lets you make as many claims as you need, up to a limit of \$2 000 within two years of purchase. The EMP may also be used for electrical checks.



## Buying a house and land package

If you buy land (maximum size is five acres or two hectares) you must also have your building plans and specifications ready. You can purchase land on the open market under HomeShare in any location. The sale agreement must be prepared by the Crown Solicitor, and you cannot sign a conventional real estate contract. Ask your real estate agent to contact Tassie Home Loans for more information.

Housing Tasmania also supports HomeShare by releasing land packages specifically for the scheme. Better Housing *Futures* involves the transfer of management of 4 000 Housing Tasmania properties and vacant land to community housing organisations in numerous suburbs around Tasmania. Options may also be available through Better Housing *Futures*.

You may already own land that you want to build your house on with help from HomeShare. Your equity in the land must be less than \$100 000. Equity is the difference between what the land is worth and how much your loan is. This is calculated as follows:

Land value:	\$90,000
Less the loan balance:	\$55,000
Equity held:	\$35,000

The existing loan for your land would be paid out and become part of the new HomeShare Loan.



## Buying a newly constructed house

If you buy a newly constructed house on the open market, you and the Director of Housing buy the house together.

You will be required to borrow the maximum amount the Bank approves.

The amount of the Director's share will then depend on the purchase price and the size of your loan. However the Director's share will be capped at 30 per cent of the price, up to a maximum of \$100 000 for house and land packages.

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Example: Jane wants to buy a new constructed house for \$245 000. This will involve additional costs of \$13 000. To purchase the house Jane will need \$258 000. The Bank will give Jane a maximum loan of \$183 750.

With the \$20 000 from the First Home Builder Boost, Jane has \$203 750 towards buying the house. The Director would contribute the remaining \$54 250 to buy a 22.1 per cent share in the house. Jane would buy the other 77.9 per cent share of the house.  
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## Do I have to live in the house?

Yes. Under the terms of the Agreement and the mortgage, you must live in the house you buy (it has to be your main residence).

You cannot rent out the house. If you have to leave the property (for reasons such as transfer of employment or illness) you must contact Tassie Home Loans to discuss your particular circumstances.

## Can I renovate my home?

You can improve the property at any time so long as you comply with the terms in the Agreement.

Generally, if the work does not require approval from the relevant authority (local council) then you do not have to notify Housing Tasmania, but you might have to notify Bendigo and Adelaide Bank Limited.

If the work is major such as adding a room, and approval is required by the relevant authority, you must obtain approval from Housing Tasmania and from Bendigo and Adelaide Bank Limited.

Example: Adding a bedroom may increase the value of the home and the equity may be changed to reflect this (the Director's share may be reduced).



## How soon can I buy the Director's share?

You can choose to buy the Director of Housing's share in your home at any time.

The Director's share must be paid out at 30 years. You do this by purchasing the Director's share, or through selling the house. The value of the Director's share will be calculated on the market value of the property at that time.

If you have made approved major renovations to the property, the Director's share may be reduced.

## Can I sell my home?

Yes. You may offer the property for sale at any time, provided you first notify Housing Tasmania and comply with the sale process in the Agreement. There is no minimum period of ownership under HomeShare.

If you decide to sell the house, Housing Tasmania may inspect it to ensure that you have maintained it at a reasonable level.

The sale price will be used to calculate the value of the Director's share as described above.

If the property has been devalued because you have not maintained it properly, the Director may take this into account and adjust the value of the Director's share so that you bear the loss caused by failure to maintain.

If you sell the property through a real estate agent, the selling agent's commission will be your responsibility.

## Who undertakes valuations?

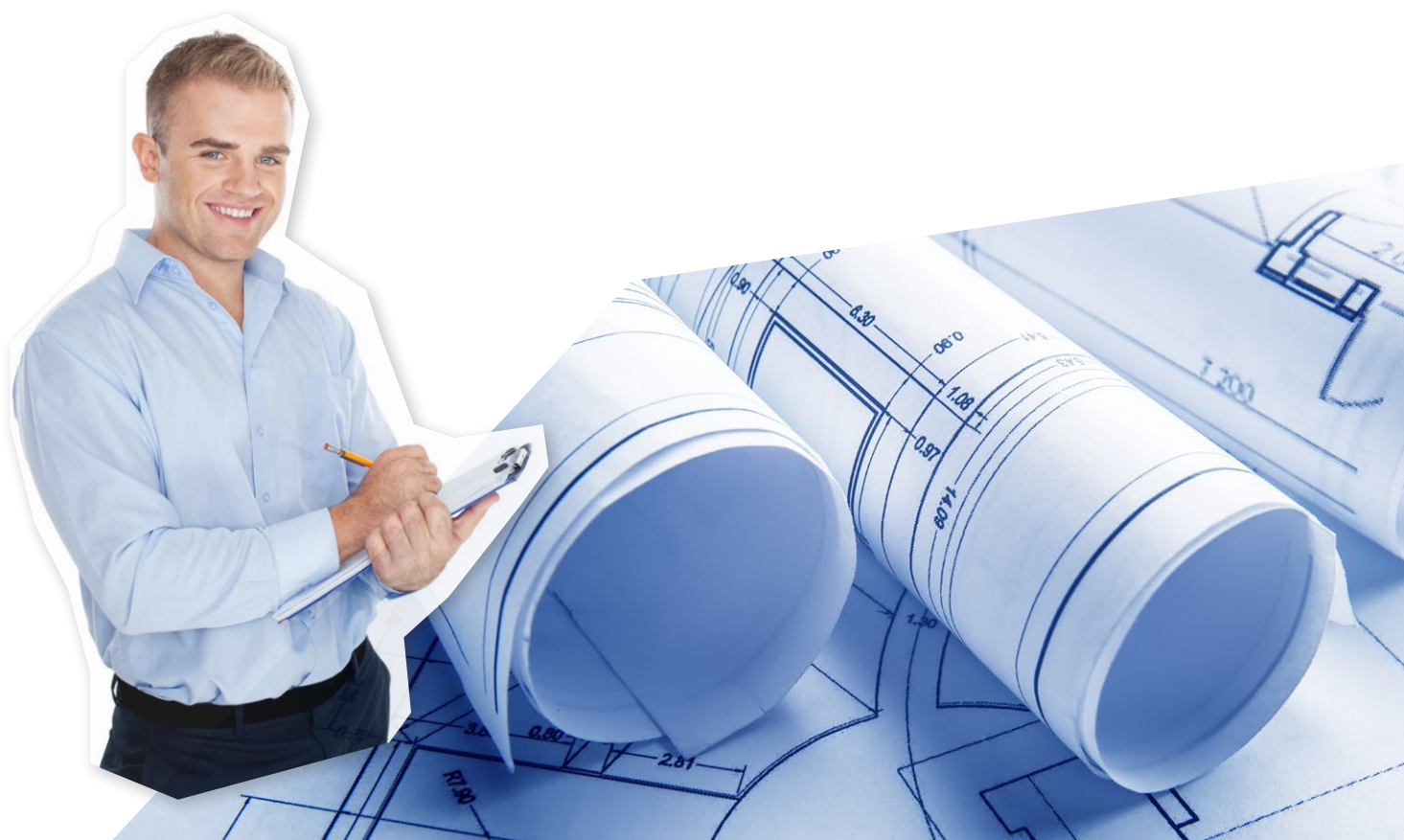
The Bank will arrange for a market valuation on the property. You will be required to pay for the valuation.

Housing Tasmania will arrange for other required valuations done through the Office of the Valuer General, at no cost to you:

- ✓ when you undertake renovations that require approval
- ✓ when you buy the Director's share, and
- ✓ before the property is sold as a result of you not meeting your obligations (default).

## I'm interested. What should I do next?

You can contact a HomeShare representative to discuss whether this is the right scheme for you.





## How do I make contact?

For further information or to apply for HomeShare please contact Tassie Home Loans by:

Telephone: 1800 672 198

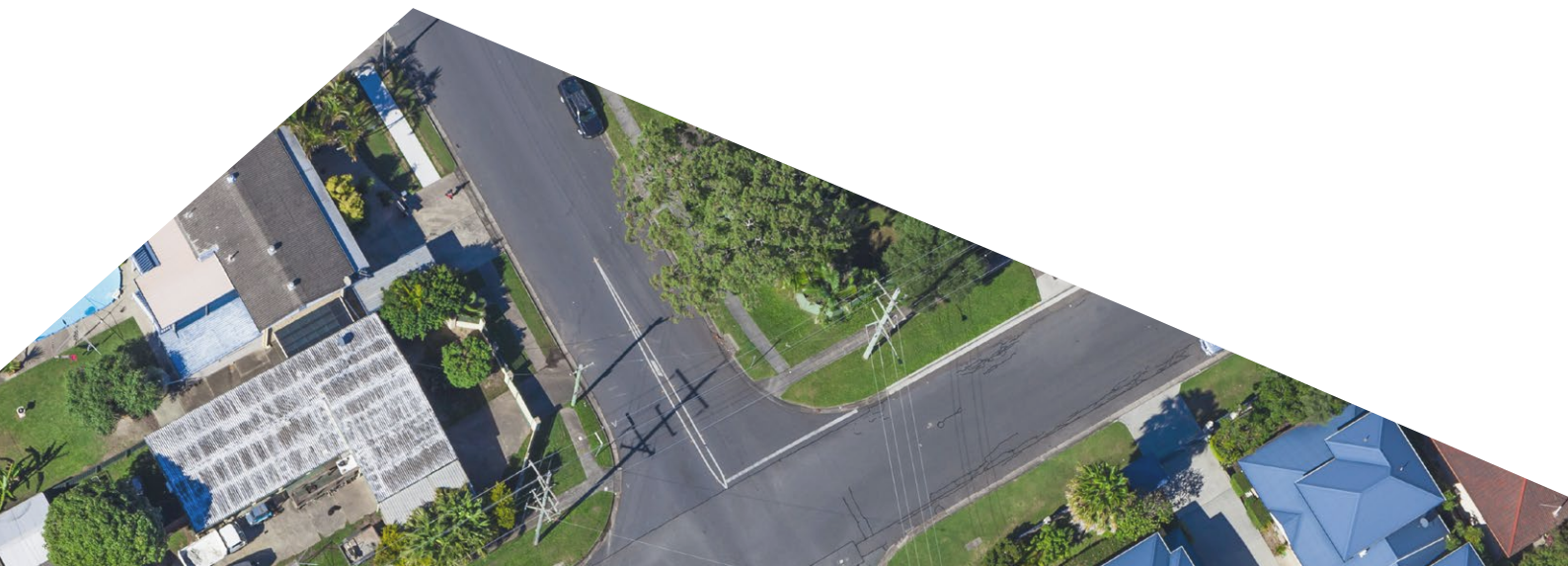
Hobart: 6221 5600

Launceston: 6335 1700

North West: 6423 1255

Email: [info@tassiehomeloans.com.au](mailto:info@tassiehomeloans.com.au)

Web: [www.homesharetas.com.au](http://www.homesharetas.com.au)



## About this booklet

This booklet provides information about HomeShare – a Tasmania Government initiative designed to help eligible Tasmanians to buy their own homes.

The booklet covers the most common questions asked by potential purchasers and provides an overview of how HomeShare works.

The booklet is not designed to recommend whether HomeShare is suitable for you. The information in this booklet is of a general nature only and does not take into account your individual objectives, financial circumstances or needs. As with any major financial transaction, we recommend that you take independent advice before deciding whether HomeShare is right for you.

This booklet contains important information about how HomeShare works. It does not replace the Offer to Borrow, Loan Conditions or Mortgage that set out the terms on which the Bendigo and Adelaide Bank Limited agree to lend. Nor does the booklet replace the Agreement that sets out the terms on which the Director of Housing agrees to co-own with you and any requirements you must meet or continue to satisfy.

You should not rely on this booklet as a substitute for the above documents as it is not part of any legal contract for the HomeShare product.

If information in this booklet varies from information in the Offer to Borrow, the Loan Conditions, the Mortgage or the Agreement, then the terms in those documents always prevail.



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