



AFFORDABLE HOMES PROGRAM

HOME OWNERSHIP OPPORTUNITIES

Frequently Asked Questions for Customers

October 2010

The **Affordable Homes** program is a Housing SA initiative to increase the supply of low cost homes. The sale of an **Affordable Home** is structured to give preference to 'eligible buyers', including low and moderate income South Australian home buyers.

Affordable Homes are listed on the **Property Locator** and can be identified in other advertisements by a distinctive 'key' icon, shown below. The icon signals that the property is exclusively available for sale to 'eligible buyers' for a limited period of time at a fixed price.



1. How do I apply for home ownership through the Affordable Homes program?

If you are eligible and able to arrange home financing, you are able to purchase an **Affordable Home** at a fixed price, in advance of it being offered to other non-eligible purchasers.

Affordable Homes are sold on a first come, first served basis so it is important that you are familiar with the required steps to ensure you don't miss out:

1. **Register your interest** – visit www.affordablehomes.sa.gov.au to complete an eligibility self assessment (guide only) and register your email address on our Enquiries Register.
2. **Arrange financing** – home loan approval 'in principle' in writing from either HomeStart Finance, who provide a wide range of products specifically designed to help more people into home ownership, or with another financial institution.
3. **Locate a property** – once you find an **Affordable Home** that you would like to purchase (make sure you research it well before you decide), it is up to you to contact the listed Agent – they will help you to place a signed 'Offer to Purchase' form on it.
4. **Eligibility assessment** – contact Housing SA to confirm your eligibility for the **Affordable Homes** program, including an income and asset test. Once you have met these requirements, a Proof of Eligibility letter can be provided to you.
5. **Purchase your home or allotment** – to finalise the purchase, you will be required to provide a copy of your Housing SA Proof of Eligibility letter to the Agent and finalise any finance details with your lender within 14 days of submitting the signed 'Offer to Purchase' form. The Agent will then work with you to finalise the sales contract and set a settlement date.

The **Affordable Homes** website is designed to step you through this process.

2. How much can I borrow?

You are responsible for obtaining your own home financing. Being eligible for the program, does not necessarily mean you will qualify for home financing or will have sufficient borrowing power to purchase properties in the program.

Getting an 'in principle' loan approval from your bank or mortgage lender will provide you with a guide to what priced home you can afford. This will help you refine your property search and save you time in your efforts.



This fact sheet can be supplied in alternative formats when required. Contact Housing SA on 131 299.

3. Where do I get an eligibility assessment and how much does it cost?

There is no cost to have an eligibility assessment which is done in person at anyone of Housing SA's offices throughout South Australia. To find out where the closest office is to you contact Housing SA on 131 299.

Your eligibility is only assessed at point of sale, there is no pre-assessment service through Housing SA. Applicants are encouraged to complete a self assessment and download from the Affordable Homes program website the eligibility policy and assessment documentation requirements to avoid disappointment.

4. What documentation do I need for the assessment?

In order for the final purchase to occur, Housing SA will need to provide a final assessment of your eligibility including an income and asset test. The following information will need to be provided to Housing SA in order for this to take place:

- proof of identity and residency
- a copy of the signed 'Offer to Purchase' form from the Agent selling the property you have found
- proof that you are over 18 years of age or over 55 years and retired from full time employment for the purchase of a retirement home and a resident of South Australia
- proof of income – e.g. copy of current payslip (showing year to date earnings) or a statement from your employer. If you are self employed a copy of your most recent tax return¹ will be required
- declaration that you or any member of your household who will be living in the property does not own other residential property (including land), unless intending to purchase a retirement home which requires a declaration that you intend to sell the existing property
- a copy of your 'Offer to Purchase' form on the property to be purchased, which is signed by the Agent confirming you have the first right to purchase.

You will typically have 5 days from submitting the 'Offer to Purchase' form to complete this eligibility assessment application and 14 days to finalise all details with the Agent.

5. What if I don't have an internet connection?

Access to the internet makes the search for a home easier, by providing an email alert when an **Affordable Home** is listed on the **Property Locator**. People without internet connections at home are encouraged to access the internet via libraries and other community facilities, so that they can keep in touch with new opportunities and new property listings.

If you don't have an internet connection, you can do a self assessment and register your interest by contacting Housing SA on 131 299.

Affordable Homes are also advertised widely through the real estate sections of the newspaper and other media outlets. They can be identified by the distinctive 'key' icon.

6. Is there any special assistance for people with disabilities, Aboriginal people, older persons and other disadvantaged people?

While there is no priority allocation system based on special needs, people requiring special assistance to register for the **Affordable Homes** program should contact their Housing SA office on 131 299.

7. Will this affect current Housing SA tenants?

The **Affordable Homes** program will not affect the tenure and eligibility of existing Housing SA, Housing Trust, public and community housing tenants. **Affordable Homes** are either new homes or vacant Housing SA properties available for sale.

Housing SA tenants will automatically be eligible for the **Affordable Homes** program, regardless of the asset and income eligibility requirements.

8. Will this affect my Housing SA waiting list priority?

Registering your interest in the **Affordable Homes** program will not affect your application for rental property with Housing SA. However, once you purchase a property through the **Affordable Homes** program, your application will be removed from the waiting list.