

# TE AHO TĀHUHU

the Progressive Home Ownership Webinar Series

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Te Autaketake Pathway and Provider Pathway

Debbie Bean, Te Tūāpapa Kura Kāinga

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# Invitation to Participate

## Te Au Taketake Pathway and Provider Pathway

- The *Te Au Taketake Pathway* operates by open invitation
- The *Provider Pathway* operates in funding rounds – next round open 17 Jan – 18 Feb 2022
- The Invitation to Participate comes in two parts:
  1. Becoming an Approved PHO Provider
  2. Submitting a Delivery Plan
- Suite of documents are available from [PHO@hud.govt.nz](mailto:PHO@hud.govt.nz) - includes an information guide.
- Roopu can choose to become an Approved Provider first and submit a Delivery Plan later on.

# Becoming an Approved Provider

To become an Approved PHO Provider, you must supply evidence of:

- sound financial situation
- good governance practice
- sound organisation processes
- designed PHO product
- financial institutions that will work with the product
- ability to work with households

# Submitting your Delivery Plan

Providers must supply details of the:

- type of development you seeking funding for
- location of the dwellings requiring PHO funding to purchase or develop
- number of dwellings you will create for use with your PHO product
- estimated uptake of your PHO product in these locations by people in each priority group
- amount of funding you require
- estimated delivery timeframe
- drawdown milestones and estimated timeframe for reaching those drawdown milestones
- security for the loan

# Receiving Funding

Amount of PHO Funding determined according to progressive home ownership product type:

- Where a **Shared equity** product is used, the Fund contribution will cover a maximum of 45% of the cost to the household of purchasing the home
- Where a **Rent to buy** or **Leasehold** product is used, the Fund contribution is capped at 50%

*Providers must be able to show:*

- *when households would graduate from the scheme, and*
- *that they can repay the loan at year 15.*

Option	Drawdown milestone
Option 1 Turnkey contract with a developer to buy land and completed home from the developer	10% on signing of the Acquisition Contract 90% on Completion
Option 2 The Provider already owns the land and is arranging for the homes to be built	50% on Lockup 50% on Completion
Option 3 The Provider needs to buy the land and will then arrange for the homes to be built	30% on settlement of the acquisition of Qualifying PHO Development Land 30% on Lockup 40% on Completion
Option 4 The Provider only requires PHO Funding once the home is completed and the Partner Household moves in	100% on Completion

# Grant Funding to Support Households

- **Pre-occupancy support**

- Identifying households
- Financial capability training

Maximum available = **\$7,000** per household

- **Occupancy support**

- Work with households to achieve full ownership
- Pastoral care
- Home inspections
- Maintenance planning

Maximum available = **\$1,800** per year per household

# KEY TAKEAWAYS

1. Price points based on affordability for the household i.e housing outgoings less than 30% of income with income cap \$130k per household (slightly more for multi-generational households)
2. PHO product and model must demonstrate that household will graduate in time for PHO loan to be repaid i.e. 15 years
3. Strong preference for new builds; there are exceptions – locations where no new developments occurring in next 12 months, immediate whānau readiness for PHO, and where a wait may prevent homeownership opportunity

# CONTACT DETAILS

For ITP Documentation:

PHO Programme

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TE MATAPIHI



**Te Tūāpapa Kura Kāinga**

Ministry of Housing and Urban Development