

Should I buy my Department of Housing property?

The advantage of buying a home is that you are acquiring an asset, which could provide security for your future.

However, owning a home is different from renting, as you have to pay rates, maintenance and insurance as well as loan repayments. These costs could be more than the ones you have when you are renting.

For more information about buying your rental property, call

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SALES TO TENANTS



Buying a Department of Housing owned property

The Department of Housing is encouraging its tenants to become home owners.

The 'Sales to Tenants' program provides the opportunity for Department of Housing tenants to make the transition from public rental housing to home ownership by purchasing the department-owned dwelling they rent.

The following information provides a guide for tenants considering the purchase of their rental property and outlines some of the major issues to consider before making such a decision.

Can I buy the property I am renting?

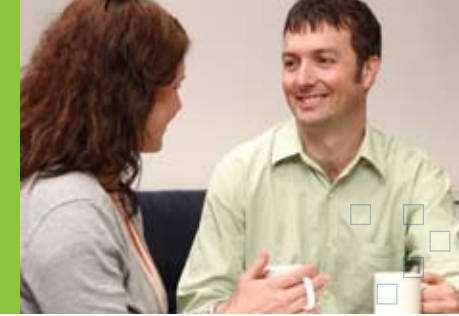
Some rental properties are not for sale.

Properties that generally are not for sale include:

- those in high-demand areas, especially inner city suburbs;
- those on sites with future redevelopment potential;
- townhouses, units, duplexes and cluster houses;
- houses which are less than 10 years old; and
- houses that have been modified or adapted to meet the needs of people with a disability.

You may be able to buy the property you are renting if you meet the following conditions. You, and any other person making the application with you, must:

- not own any other house in Queensland or elsewhere (except in the circumstance approved by the Director-General of the Department of Housing);
- intend to use the house as your home and for no other purpose;
- be the legal lessee of the property;
- pay an administration fee when lodging the Application to Purchase;
- be an Australian citizen or have permanent residency;
- have lived in your rental property for at least three months; and
- have a good rent payment record with no outstanding arrears.



How do I find out the purchase price of the property I am renting?

The department does not keep a record of sale prices for its rental properties. You will need to lodge an application and pay an administration fee.

The administration fee will be fully refunded if the department assesses the property and decides it is not available for sale.

It will then take up to two weeks to determine if the property is available to be purchased.

The department will have the property inspected by an independent valuer to determine a fair market value and may have QBuild conduct a building inspection for the department's purposes only.

The department will notify you in writing when a sale price is established.

You will have one month to accept the department's offer to purchase the property.

Shop around for your loan before deciding to buy

Interest rates and the types of housing finance available change regularly. When considering buying a home, it is important that you look at a wide range of loan options. The financial package you choose should suit your circumstances and not cause financial hardship.

Finance

If you are borrowing money for the purchase of your rental property, your lender will usually require you to have a savings history and to contribute a sum of money (a deposit) towards the purchase price.

The amount of deposit will depend on elements like the price of the home, the amount you can borrow and where you obtain your finance. Most financial institutions will ask you to pay a deposit of between 5% and 20% of the purchase price. For information on the department's lending programs call the **Information Hotline on 1300 654 322**.

Will improvements to the property or the rent I have paid affect the sale price?

Major improvements you have done such as carports and extensions that have received the Department of Housing's approval, as well as local government building approval, will be considered when determining the sale price. The Department of Housing guidelines allow a maximum of \$5,000 for improvements. The valuer will assess the value of the improvements and this value will be deducted from the sale price of the property.

It is important to remember that any amount of money you spend on improvements may not necessarily increase the value of the property.

No allowance will be made for previous rent paid.

What if I want to keep renting after I have applied?

Some people find they are financially better off renting. You need to decide the best option for your circumstances.

You are under no obligation to buy your current rental property. If you choose not to purchase, your rental agreement with the department will continue as usual.