

Disaster Relief Housing Pilot Project



July 2011 – 2nd round call for Expressions of Interest

- Your land*
- Our house*
- We rent the house to you at a discounted rate*
- You buy the house when you can afford it*

BRISBANE HOUSING COMPANY is a non-profit provider of affordable rental housing in Brisbane, with over 1,000 rental dwellings made available to households on low and moderate incomes at affordable, discounted rents

The **Pilot Project** is a new BHC venture tailored to the needs of flood-affected residents who are looking for affordable solutions to their housing needs

Primary objective

To assist people in need with a quality, affordable and fast local housing option

Scope of the project

- 3 manufactured homes: 2 for occupancy, 1 for demonstration purposes
- 2 or 3 bedroom homes
- A choice of designs
- Delivered and installed either on your existing land (if a safe area exists) or in the new Grantham sub-division (if you choose a land swap)

[If successful, grant funding may be available to deliver a further 45-50 dwellings]

Fundamentals of the model

YOU own the land

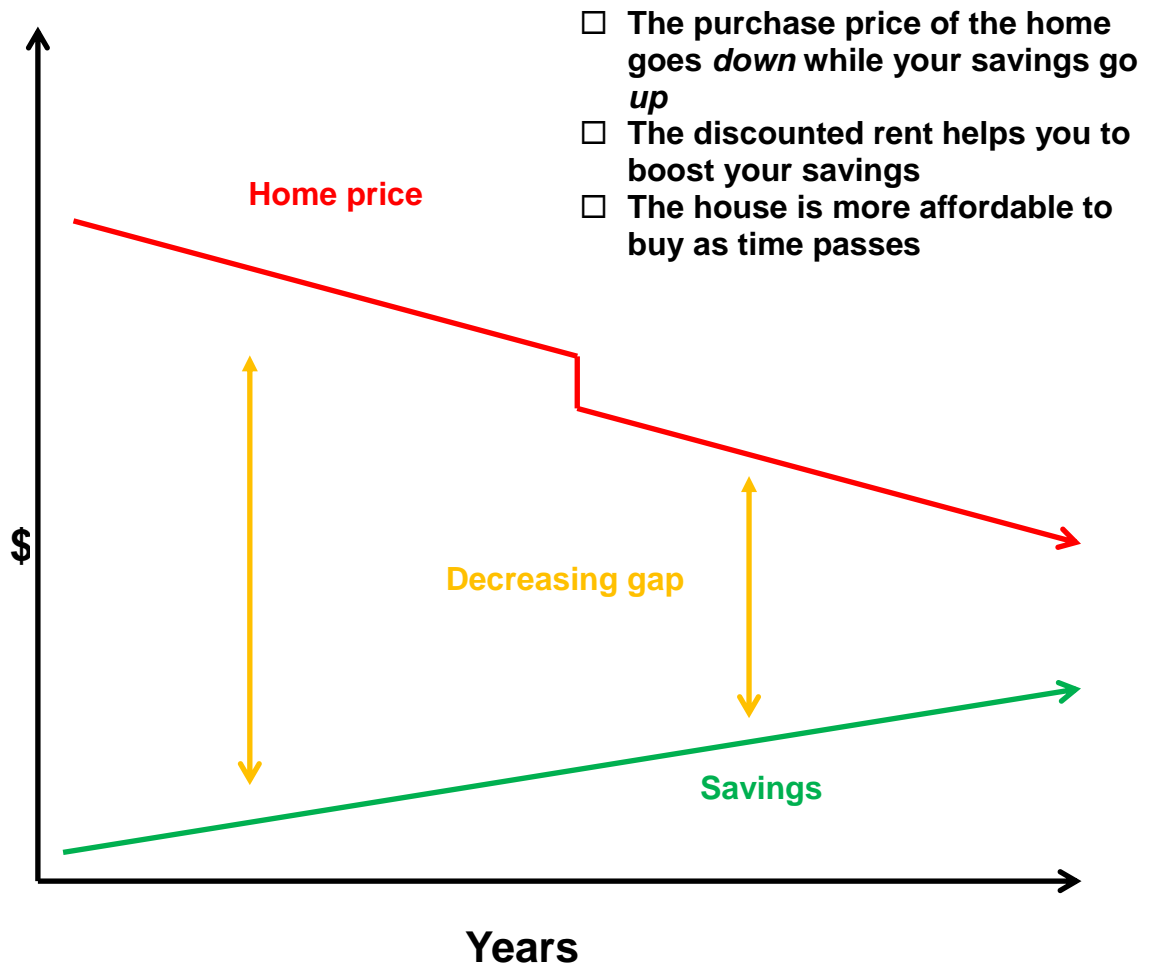


BHC purchases and installs a new home



You pay a *discounted* rent on the home until you can afford to buy the home

Time to build your financial security



Indicative costs and rents*

Housing type	Target cost	Initial weekly rent
2 bed, 1 bath (low set)	\$145,000	\$95
2 bed, 1 bath (high set)	\$160,000	\$100
3 bed, 2.5 bath (low set)	\$234,000	\$130
3 bed, 2.5 bath (high set)	\$289,000	\$136
4 bed, 2.5 bath (low set)	\$249,000	\$157
4 bed, 2.5 bath (high set)	\$313,000	\$165

* 'Indicative' means actual figures may vary according to your choice of house type, site conditions, etc.

Benefits for you

- High quality homes, delivered quickly
- No requirement for a large up-front capital outlay (or loan) to buy a house
- The cost of the house will be depreciated by BHC, making it more affordable for you to buy in the future
- You can use your Disaster Relief funds for a range of needs rather than all of it going into a single housing solution
- You can remain in your community and be part of exciting renewal plans
- You can invest any surplus funds you may have to allow these to grow in value over time
- BHC's discounted rents are for the *house only* – estimated at around 50% of a reasonable market rent
- Discounted rents will be indexed annually based on CPI, providing a protection from potential booming rentals

Proposed legal arrangements

Contracts are necessary to preserve the interests of all parties to the project

Your home:

- BHC owns the house
- BHC provides you with a “House Sale Contract”, and a “Tenancy Agreement”

You:

- BHC rents the house (only) to you at a discounted rate until:
 - You opt to buy the house at its depreciated cost;
 - You opt to sell the property (BHC has first option)
 - 10 year period expires (when terms are renegotiated)
- No rent is charged on the land

Land:

- You own the land (i.e. hold the title)
- You provide BHC with a “Call Option” and accompanying “Land Sale Contract” (held in escrow)
- BHC registers a mortgage for the depreciating cost of the house

Financial institution:

- May have a registered 1st Mortgage (i.e. existing loan)
- A consent deed / tripartite agreement is then needed to recognise BHC’s Call Option and 2nd Mortgage

Expressions of interest (EOI)

- Only 2 homes are available for occupancy in the initial pilot scheme, therefore we need a transparent mechanism to prioritise clients
- BHC has already carried out a 1st round of Expressions of Interest and is now calling for a 2nd round of EOIs
- Eligibility:
 - You must be an owner/occupier (the project is not available to investors at this time)
 - Your existing home remains in disrepair and is not economically feasible to relocate or repair
- Our process is separate from Council’s land swap option
- The closing date for receipt of second round EOIs is **4:00pm on Friday 12 August 2011**
- Streaming of applicants may be necessary to ensure delivery within the pilot timeframes
- Provided sufficient demand is received, all eligible EOIs will be selected in priority order within the following week
- If selected:
 - You will be notified by **Monday 22 August 2011**
 - You will be required to work with BHC, local council and potentially others to execute legal documentation to facilitate the prompt installation of your new home

Your next steps

- Complete the “I’d like to know more” form below and return to BHC as soon as possible
- BHC will contact you in the coming weeks to:
 - explain the scheme in more detail
 - confirm details of your current financial position
 - confirm details of your current land and/or land swap
 - ensure the option would be affordable for you
 - identify any issues (i.e. existing mortgages) which will require special attention
 - explore design options which could meet your needs
- If all appears feasible to both parties, you will have an opportunity to formally lodge an EOI for one of the initial pilot homes
- All discussions are without obligation

I’d like to know more!

Name(s)			
Address			
Phone(s)			
Email			
Best person to call?		Best time to call?	
Brief description of your current living arrangements			

Please return ASAP to:

Brisbane Housing Company, GPO Box 544, Brisbane Qld 4001
 Phone: (07) 3307 3000 Fax: (07) 3839 2000
 Email: reception@brisbanehousingcompany.com.au

or call to arrange an interview:

Peter Chapman – 0400 762 970 or Steve Honan – 0448 892 792