



INFORMATION SHEET ON THE AXIS SERIES PROGRAMME AT HOBSONVILLE POINT

Hobsonville Point is releasing a limited number of homes that have been specifically designed with affordability in mind. These will be sold at specific price points set by the Minister of Housing pursuant to the Axis Series Programme.

HLC (2017) Limited (aka HLC) and its builder partners have invested considerable resource into delivering Axis Series homes at the price points. In ensuring these homes are delivered to eligible buyers, HLC is providing an economic benefit to New Zealand as a whole and helping meet the needs of the Auckland property market in particular. Housing New Zealand Corporation (HNZ) assist HLC with aspects of the Axis Series Programme including managing the eligibility and ballot processes. HLC and HNZ have an interest in ensuring these homes are delivered to eligible and complying Purchasers.

The Qualifying Criteria:

In order to qualify to buy an Axis Series home, potential purchasers must first meet and agree to comply with the following criteria (full details can be found at <http://www.axisseries.co.nz/how-to-buy/>):

In summary, each Purchaser must:

- (a) Be a first time home buyer with no current or previous interest in property in New Zealand or overseas and have no unregistered interest in land that they could expect to sell or permanently and exclusively live in OR they must be a previous home owner with no current interest in property in New Zealand or overseas and are deemed by HNZ/HLC to be in the same financial position, in terms of realisable assets, as someone who has never owned interest in property.
- (b) Be a New Zealand citizen or Permanent Resident and currently tax resident and residing in New Zealand.
- (c) Be over the age of 18.
- (d) Have a total gross household income in the last 12 months no greater than \$85,000 gross (before tax) for a single purchaser and no more than \$130,000 gross (before tax) where there is more than one purchaser.
- (e) Ensure the Axis Series home is their primary place of residence and they must live in it for a minimum of 2 years (continuously) following settlement.
- (f) Purchase the Axis Series home in their own name/s.

- (g) Prove that they have enough savings and finance to complete a purchase of an Axis Series home including having been pre-approved by a lender.

Purchaser's must complete the Axis Series Home Buyer Application Form and receive a HNZ Letter of Eligibility before they can enter into a ballot for an Axis Series home.

If it is found that a purchaser has breached any of the above criteria, HNZ/HLC will in the first instance contact the Purchaser and give them a reasonable opportunity to remedy that breach. HLC and HNZ reserve their rights to all damages, losses and costs and of course to all legal remedies available to them as they have a financial and reputational interest in ensuring the Axis Series policy is complied with.

HLC do have a contractual right to register their interest on the title to Axis Series homes, but given the historical success in managing this policy, HLC have opted not to exercise this right as a matter of course. HLC would likely rely on the right to register its interest in the event of a breach or suspected fraud, but that registered interest would of course be subject to any prior registered mortgage interest.

These compliance rules are all recorded in the terms of the Agreement for Sale and Purchase and the Agreement with HLC that Purchasers enter into contemporaneously.

After the two year period, there is no restriction on the sale of Axis Series homes.

HLC has a pool of buyers for these Axis Series homes and they are in high demand. Ballots have to be held in order to ensure they are allocated fairly. If a bank were ever put in a situation where they were forced to go to mortgagee sale, that pool of buyers is an additional boon for the bank as the mortgagee sale process would be quick and cost effective.

The sales process and purchaser vetting systems has very effectively ensured that, as far as HLC is aware, only bone fide qualifying purchasers have bought these Axis Series homes to date. No damages have been claimed or legal proceedings taken by HLC from the inception of this policy to date.

Changes in Circumstances:

Sometimes buyers will encounter unexpected changes in circumstances that may mean they have to sell within the two year period. HLC/HNZ understands this. Should there be an unforeseen change in the buyer's circumstances that means they are no longer able to live in the Axis Series home for the two year time frame, the buyers should discuss this by email with HNZ (axis.homes@hnzc.co.nz). If HNZ considers that such a change in circumstance is not a deliberate intended breach, then HNZ may, at its discretion, give its consent to an earlier sale or other alternative arrangements – depending on the circumstances. By way of example (and without limitation) scenarios in which consent to a breach of the requirement to reside for two years may be considered include redundancy, the need to shift out of Auckland for employment and an unexpected need to accommodate additional family members.

Should you wish to discuss the Axis Series Programme further please contact Ingrid Arnestedt at HLC (ingrid.arnestedt@hlc.co.nz) 09 261 5545).