

Home Purchase Plan



The Home Purchase Plan (HPP) provides for existing government employee tenants to purchase the government owned property they are currently renting and provides financial assistance to achieve this.

Can the sitting tenant buy the Government owned home they are currently occupying?

If you are an eligible government employee, under the Home Purchase Plan you may be able to purchase the home you currently occupy.

Are all houses available for purchase?

Unfortunately not. All housing made available for sale to tenants is at the discretion of The Department of Planning, Transport and Infrastructure (DPTI) and the legislative requirements this government agency operates within.

How long will it take?

The process takes between 3 to 9 months, and longer if the land or services require division. Settlement is negotiated between the vendor (government) and the purchaser (tenant) and must be completed within a reasonable period of time (usually 6 months). You are required to pay rent until settlement occurs.

How is the purchase price determined?

The property will be offered to you at the current market value determined by an independent Certified Practising Valuer (CPV). The current market value takes into consideration local market factors, recent sales in the area and the current condition of the property.

It is recommended that applicants conduct their own market research before applying to purchase the government home they are occupying. No price negotiations will occur as the property is being offered at the current market value that is the minimum price government can accept.

Finance

Government does not provide finance. Applicants are advised to enquire through a Financial Institution of their choice before lodging their application. Intending purchasers should ascertain their entitlement to the First Home Owners Grant.

What financial assistance is provided?

Government will cover the following costs:

- 1) Loan application/establishment fees
- 2) Mortgage costs i.e. preparation of mortgage and registration fees
- 3) Conveyancer or Solicitors fees to a maximum of \$400.00 GST inclusive
- 4) Registration costs i.e. stamp duty and registration fees for transfer documents.

These costs will be refunded at settlement by being deducted from the purchase price.

For example, based on a sale price of \$200,000, the registration costs (item 4 above) would be \$8,220. For a sale price of \$240,000 the registration costs would be \$10,222.

Please note; the fee is different for each property and is determined by the purchase price of the property.

What else do I need to know?

Only emergency maintenance will continue to be carried out on the property until settlement occurs.

All Sale and Purchase contract documents include a Hazardous Substance Report applicable to the residence. A copy can also be provided upon request.

You will need to engage a Conveyancer or Solicitor to act on your behalf to affect settlement. As described in item 3 in the financial assistance section, a maximum of \$400 is provided towards conveyancing costs.

Financial Institution Mortgage Insurance costs, if required, is at the purchasers expense.

How do I apply?

Contact your Housing Manager with any queries that you may have. If you wish to proceed, lodge a completed application form, together with a fee of \$500. If successful, the \$500 fee becomes your purchase deposit.

The application form is available to download from the website at www.infrastructure.sa.gov.au/buildingmanagent.

The application form together with the \$500 application fee is sent to:

M Colella, Disposals Officer
Department of Planning, Transport and Infrastructure
GPO Box 967
ADELAIDE SA 5001

Please ensure the cheque or money order is made payable to the Department of Planning Transport and Infrastructure.

What is the Process?**The standard process consists of the following steps:**

1. Application form together with the \$500 application fee is received.
2. Application is assessed.
3. If the sale is not recommended, applicant is advised and application fee is refunded.

Or

If the sale is recommended, the necessary approvals are obtained.

4. Property is inspected by the CPV and a valuation report is provided to Government Employee Residential Program
5. Property is offered to the applicant at the current market value and an agreement on terms and conditions of sale is reached between both parties.
6. The Sale and Purchase contract documents are drawn up and signed by all parties.
7. Conveyancer/Solicitors are engaged and instructed to manage the property transfer process.
8. Settlement and ownership transfer occurs at a mutually agreed date and within a reasonable period.