

AFFORDABLE HOME PURCHASE

Affordable Home Purchase Scheme – Guidelines for Developers and their Agents

Introduction

Delivering affordable housing is a key priority of the ACT Government. These guidelines have been prepared to help developers and their agents in meeting the requirements for delivering affordable housing, and in communicating with affordable home buyers.

Developers and their agents should act with courtesy and honesty in dealing with affordable home buyers. We encourage you to think about your communication and consider “how would I feel if this was happening to me?”.

Your Responsibilities

As a developer you have purchased land from the Suburban Land Agency with a requirement to deliver a certain number of affordable housing dwellings. The affordable housing requirements are clearly listed in your contract documents, such as the Project Delivery Deed or Project Delivery Agreement, and will include:

- the required number of affordable housing dwellings;
- requirements for the finishes and inclusions of the affordable housing dwellings;
- requirements relating to the Development Application, including when you must contact the Suburban Land Agency;
- price thresholds at which the affordable housing dwellings must be sold;
- requirements and processes for selling the affordable housing dwellings to eligible buyers; and
- processes that you must follow if you are not able to sell the affordable housing dwellings to eligible buyers.

More information about the price thresholds is available at <https://www.planning.act.gov.au/urban-renewal/affordable-housing/affordable-home-purchase>.

You should note that if you do not comply with these requirements, the Suburban Land Agency may restrict your ability to participate in future offerings of land. Any bond or similar payment may be reduced or withheld if the requirements of the sale are not complied with.

Identifying and Designing the Affordable Housing Dwellings

The finishes and inclusions have been developed to ensure a minimum standard is achieved for affordable homes. It is important that information about the finishes and inclusions is provided to anybody involved in the design or construction of the affordable housing dwellings, such as your architect, building designer or builder.

The Suburban Land Agency will be reviewing your plans as part of your Development Application, to make sure that you have met the requirements for finishes and inclusions, and that the affordable housing dwellings are appropriately designed.

You must make sure that the correct number of affordable housing dwellings are included and identified on your plans.

Lodging your Development Application and Receiving Your Development Approval

When you lodge your Development Application, you are required to notify the Suburban Land Agency and provide a copy of the Development Application to us within a certain timeframe, usually seven days. When doing so, a plan which shows which dwellings you propose to be affordable must be nominated and shown.

After development approval is obtained, the Suburban Land Agency must be provided with copies of the approval, the plan showing the affordable housing dwellings, and the draft contracts of sale relating to the affordable dwellings. The mandatory terms (outlined in your contract) must also be provided. This is required to be done within a week of receiving the development approval.

You can contact us at affordablehomepurchase@act.gov.au.

Selling Affordable Housing Dwellings

The ACT Government has established a database of eligible buyers. Within one week of you submitting an approved Development Application and your marketing material to the Suburban Land Agency, an email will be sent to eligible buyers on the affordable housing database, inviting them to opt in or out to purchase your affordable dwellings. Eligible buyers will then have 2 weeks to opt in or out of the ballot process for your approved development.

After this 2-week period, a ballot will be run with all eligible buyers who opted in. We will provide you with a list of eligible buyers and their contact details within 3 business days of the ballot being run.

After you are provided with the list of eligible buyers and their contact details, you are required to make reasonable effort to sell an affordable dwelling to those buyers. You should contact potential buyers within three days of being provided with their contact information. We will continue to provide you with further eligible buyers until the names on the ballot have been exhausted.

When you contact a buyer, you must provide them with a copy of the contract and all required documents for them to complete a purchase. The affordable housing dwellings must be sold at the relevant price thresholds and the contracts must include the mandatory terms, such as the finishes and inclusions schedule.

Demonstrating Your Efforts to Sell Affordable Housing Dwellings

If you are unable to sell all the affordable housing dwellings, you will need to demonstrate that you have made reasonable effort to do so. This includes evidence that, after receiving the contact information of the buyer, you tried to contact them within the required timeframe. You must also demonstrate that you tried to contact the buyer on multiple occasions (at least three times).

Please note potential purchasers are to be contacted only during standard business hours (Monday to Friday, 9:00am – 5:00pm).

If you contact a buyer, but they do not proceed to exchange contracts for the property you are selling within the required timeframe (depending on your contract this will vary from 3 weeks to 6 weeks), you must demonstrate that you provided them with all the required documents and information for them to complete the purchase.

Sale of the affordable housing dwellings on the open market may only take place following written approval from the ACT Government.

Engaging On Reasonable Terms

While you must make reasonable effort to sell your affordable housing dwellings to eligible buyers, you must also engage with buyers on reasonable terms.

You are not to coerce or put unreasonable pressure on buyers to make their decision. Eligible buyers are to be contacted only within the business hours stated above, and are not to be excessively contacted to the extent that the buyer may reasonably feel harassed by the frequency of contact. Buyers are to be notified of all applicable timeframes and deadlines as early in negotiations as possible.

Eligible buyers are to be provided with any relevant information requested wherever possible and reasonable, and you are not to withhold any information from buyers which can be reasonably expected to influence their decision to purchase. Buyers must be given reasonable opportunity to consider their purchase decision, ask questions, organise finances and seek legal or financial advice before being required to make their final decision on whether to proceed with the purchase. You are expected to assist the buyer with all reasonable queries and information requests.

You are not to provide sales contracts directly to the buyer's legal or financial representative unless the buyer has requested this or given you consent to do so.

Record Keeping

You should make sure that you, or your agents, keep records of any correspondence or advice you have given to or received from eligible buyers about the sale of an affordable housing dwelling. Where possible, make sure that the correspondence includes the Unique Identifier we have given the buyer. The records and documents may be kept in an electronic form.

Selling On the Open Market

Where, despite your efforts, no buyers proceed to exchange contracts with you for an affordable housing dwelling, and we cannot provide you with further buyers, you may request in writing to be relieved from the contractual obligations to sell the affordable housing dwellings to identified buyers.

You will be required to provide evidence demonstrating that reasonable efforts have been made to sell to the identified buyers.

If we agree in writing to release you from these obligations, you can sell the affordable housing properties on the open market, however, the dwellings must be sold at the relevant price threshold, on terms which are no less favourable than the terms which were offered to the buyers from the Affordable Home Purchase Scheme.

Completing a Sale of Affordable Housing

When you complete the sale of an affordable housing dwelling, you must, as soon as reasonably practicable, provide the Suburban Land Agency with a copy of the documents as required in the contract. This will usually include:

- an executed Affordable Housing Contract;
- the Certificate of Title or Unit Title noting the identity of the buyer in the contract for sale as Crown lessee or Unit Title owner;
- the Eligible Confirmation Letter (which will include details such as the Unique Identifier issued to the eligible buyer); and
- a warranty in writing.

You can contact us at affordablehomepurchase@act.gov.au.

Feedback

Opportunities will be available for affordable home buyers to provide feedback to the ACT Government in relation to the purchaser's experience. The ACT Government will also conduct random audits to ensure the ACT Government remains responsive to community expectations.

Definitions

For definitions, please refer to your sales contract.

Disclaimer

The Suburban Land Agency accepts no liability in relation to these guidelines. These guidelines are provided for information only and do not replace or supersede any information or requirements included in your contract for sale. Your contract for sale takes precedence over any guidance material prepared or provided by the Suburban Land Agency. The Suburban Land Agency encourages you to seek independent legal, planning, building and financial advice before making a purchase.