

The Barnett Foundation

.....

From social housing
to home ownership
541 Sydney Road, Coburg

THE BARNETT
FOUNDATION



Contents

.....

The Barnett Foundation	3
Who are we?	
Eligibility	
The apartments	4
The location	
A guide to apartment costs	
Estimated additional costs	
How does Barnett work?	8
Example of a purchase	
The comparison	
Weighing up the decision	11
Assistance from Barnett	
Application process	12

The Barnett Foundation

.....



Who are we?

The Barnett Foundation is a not-for-profit organisation that provides pathways to home ownership for social housing tenants. We develop quality inner city apartments and help make the dream of owning a home a reality for people currently living in social housing.

A new residential development with over 60 apartments is being built in Coburg, 8km north of the CBD. The apartments will be offered to social housing tenants who meet the eligibility criteria.

Eligibility

- 1.** You must currently live in social housing (public housing/community housing) as a tenant.
- 2.** You are required to have some savings for a deposit.
- 3.** You must be able to secure a home loan through a bank or other lender. As a requirement of obtaining a home loan, you will need to have some form of employment. There may be some flexibility around this if you have sufficient assets.
- 4.** You must end your social housing lease and vacate your property at settlement. Your social housing property must be returned to your provider. It cannot be transferred to another family member, friend, etc.

The apartments

Designed by award winning Fender Katsalidis Architects, our Coburg project is designed from the inside out, with every apartment providing a comfortable environment for families to thrive. There are a variety of two and three-bedroom apartments available for purchase.

All apartments offer a generous balcony space, air-conditioning, built-in wardrobes and a laundry space. They are equipped with quality, modern facilities including oven, cooktop and dishwasher.

The building features audiovisual intercom with remote door unlocking, card access to lobby and lifts and secure car parking.

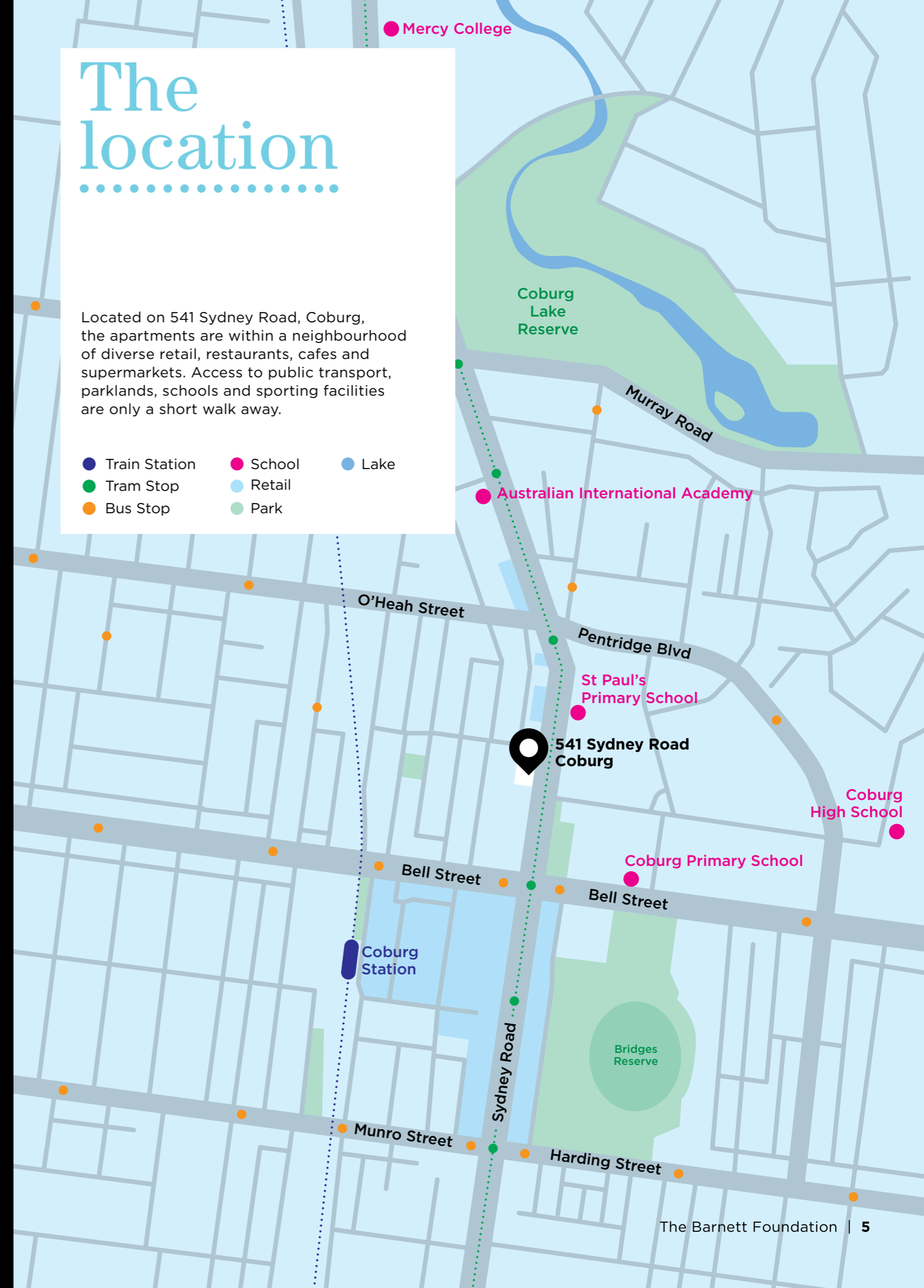
We have thought of all the features you need for comfortable and secure apartment living.



The location

Located on 541 Sydney Road, Coburg, the apartments are within a neighbourhood of diverse retail, restaurants, cafes and supermarkets. Access to public transport, parklands, schools and sporting facilities are only a short walk away.

- Train Station
- Tram Stop
- Bus Stop
- School
- Retail
- Park
- Lake



A guide to apartment costs

The prices of apartments may vary depending on size and location within the development.

Two Bedroom



Three Bedroom



Estimated market value:
\$600,000 - 760,000

Payment by Barnett participants
\$450,000 - \$520,000

Estimated market value:
\$715,000 - \$880,000

Payment by Barnett participants
\$490,000 - \$595,000



Estimated additional costs

One-Off Costs

There are several charges that every home purchaser pays when buying a new home. Most of these costs are included in your mortgage and are paid off over time. The table below provides estimates of these costs for a Barnett apartment:

Type of charge	Estimated amount on a Barnett apartment
Stamp duty	Variable
Registration of land transfer	\$1,366.00 (maximum)
Registration of mortgage documents	Approx \$110
Search of certificate of title	Approx \$20
Solicitor / Conveyancer costs	Between \$500 - \$2,000
Bank loan approval fee	Between \$0 - \$500
Lenders mortgage insurance (LMI)	Nil
Other (could include furniture, whitegoods, etc.)	Variable
	TOTAL: Between \$2,000 - \$4,000

Ongoing Costs

There are ongoing costs to consider when you own your own home. The table below includes estimates of these costs for a Barnett apartment:

Type of charge	Estimated amount on a Barnett apartment
Mortgage repayments	Variable
Owners Corporation Costs	Approximately \$xx per month
Water / Sewerage / Drainage / Parks Rates	Approx \$xx in service fees + usage/disposal
Council Rates	Approx \$xx per month*
Home and Contents Insurance	Approx \$xx per month*
Bills (electricity, gas, phone, internet, etc.)	Variable
	TOTAL: Approx \$xxx-\$xxx a month + variable costs

*Based on a \$750,000 property at market value

How does it work?

To purchase a Barnett apartment, you will need a deposit, a regular bank loan and an Advance



+



+



Deposit

Regular Bank Loan

Advance

The bigger your deposit, the smaller your loan will be and the less you will pay in interest. Saving a deposit can be hard work, but it's a great way to get into the habit of putting money away for mortgage repayments. It also shows banks and lenders that you are capable of managing your finances.

Usually a deposit of at least 10% of the purchase price is required when you sign a contract. However, Barnett requires all purchasers to provide a set amount of \$25,000 when signing the contract.

Please contact us to discuss if this \$25,000 deposit is difficult to provide at the time of signing. We can try to be flexible in certain circumstances.

As with any normal home purchase, a regular bank loan is required to fund the purchase. Purchasing through Barnett will allow the buyer to obtain a smaller bank loan compared to a normal purchase.

This will reduce monthly mortgage repayments and reduce the amount of interest paid over the life of the loan. Barnett has informed several lenders about the project - we will provide the contact details of these banks during the application process.

The Advance is a part of the shared equity arrangement. The arrangement allows for the Advance portion to be paid back to the Barnett Foundation when you sell the property at a later date.

The value of the Advance is the difference between the market value and the Barnett price of an apartment expressed as a percentage of the market value of the apartment.

The Advance is interest free and carries no fees or charges. Purchasers will be required to sign an Advance Agreement which clearly states the terms of the agreement.

Example of purchasing a \$750,000 apartment



Deposit

\$25,000

+

First Home Owner Grant

\$10,000

+



Regular Home Loan

\$465,000

+



Advance

\$250,000

=



Apartment

\$750,000

The comparison

The table below highlights the differences between a Barnett purchaser and a regular purchaser when buying a \$750,000 property.

	Barnett participant	Regular purchaser
Market value of property	\$750,000	\$750,000
First Home Owner Grant	\$10,000	\$10,000
Deposit	\$25,000	\$75,000
Advance	\$250,000	Not applicable
Mortgage	\$465,000	\$665,000
Interest Rate	4%	4%
Term	30 years	30 years
Weekly mortgage repayments*	\$578	\$740

*These figures are based on a 4% interest rate over 30 years

The Barnett Foundation makes it easier to buy a home. In the example above, mortgage repayments are approximately \$162 less per week and the deposit required is much less.

Weighing up the decision

There are benefits, risks and responsibilities when buying your own home. You need to ensure you can afford to pay off a home loan while considering other financial obligations and future plans.

Life can present unexpected challenges - with resulting expenses or debts - that can affect your ability to manage your finances. Starting a family, illness or injury, changing your career, divorce or separation, retirement and other factors may affect your ability to repay a loan.

Falling behind on your home loan repayments can have negative effects not only on your economic security, but also on your physical and mental wellbeing and the wellbeing of your family. When weighing up the decision to buy a home, it is recommended that you seek independent legal and financial advice.

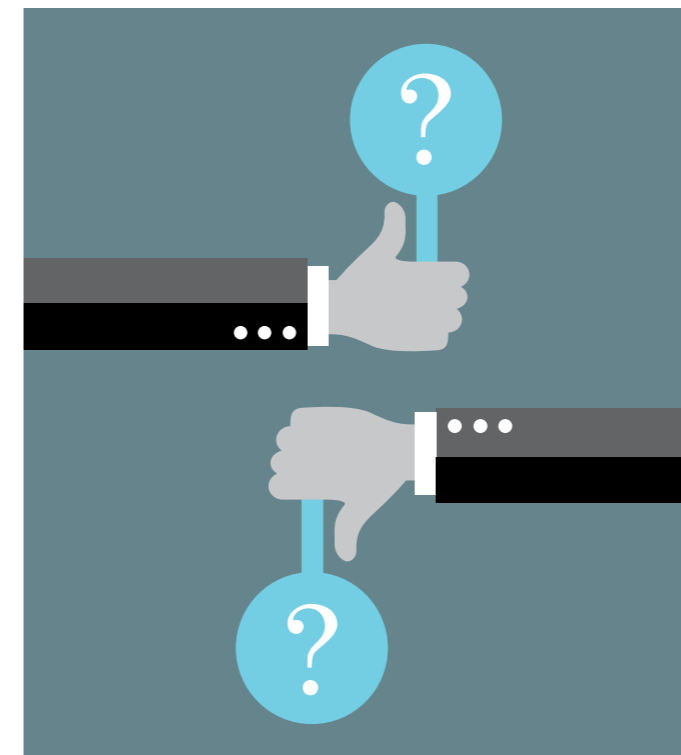
What assistance can the Barnett Foundation provide?

Supporting through the journey

Buying your first home is exciting, but there can be a lot to learn and you may have questions each step of the way. We have partnered with Melbourne City Mission to provide Barnett purchasers a key contact to support you through the purchaser journey. Gina Basile from Melbourne City Mission is able to answer any questions or concerns you may have about buying a Barnett apartment.

Financial advice

The Barnett Foundation will organise a complimentary appointment with Blaze Acumen, a leading financial advisory firm. As independent accountants, they will help you evaluate if the Barnett project is right for you. They can also provide general information on life and disability insurance policies, home and contents insurance and wills and estates. Any personal advice in relation to these topics will then need to be obtained by a properly accredited provider.



Application process

1.....

Expression of Interest

All applicants must complete an Expression of Interest (EOI) form. The information provided in this form will be used to determine if you are eligible to participate in a Barnett Foundation project.

2.....

Application form

Applicants will then be invited to submit a full application. This form requires further details about your financial and social situation.

3.....

Interviews

Qualifying applicants will be invited to an interview. Barnett Foundation will seek your permission to contact referees.

4.....

Choose an apartment

Applicants who successfully complete the interview stage will be provided with a formal offer to take part in a Barnett project. You will be able to choose an apartment and sign a contract of sale.

Want to know more?

Register your interest online at
barnett.foundation

Or contact
Gina Basile
Melbourne City Mission
gbasile@mcm.org.au
0400 592 313