



## Scenario one

Single purchaser with no dependent children, currently renting a Homes Tasmania home and purchasing in an affordable housing program.

### Initial purchase

Sarah is single, with no children and wants to purchase an existing home.

Sarah works as an administration co-ordinator and earns an annual gross (before tax) income of \$77,500 and has no other outstanding debts like a personal loan, credit cards, or afterpay etc.

The price of the existing home Sarah is interested in purchasing is \$595,000.

Sarah has the minimum deposit of 2% of the purchase price (\$11,900.00) saved in a cash investment account, and as a first home buyer in Tasmania she also qualifies for the Government; 50% Stamp Duty Concession.

Sarah is looking for assistance from Homes Tasmania through the MyHome Shared Equity program for the amount available under the rules for an existing Homes Tasmania property being up to \$200,000 or 40% of the purchase price (whichever is the lesser).

Based on:

- a loan from Bank of us for \$455,000 to help purchase the home;
- the MyHome assistance of \$150,000;
- and Sarah's deposit to assist with costs;

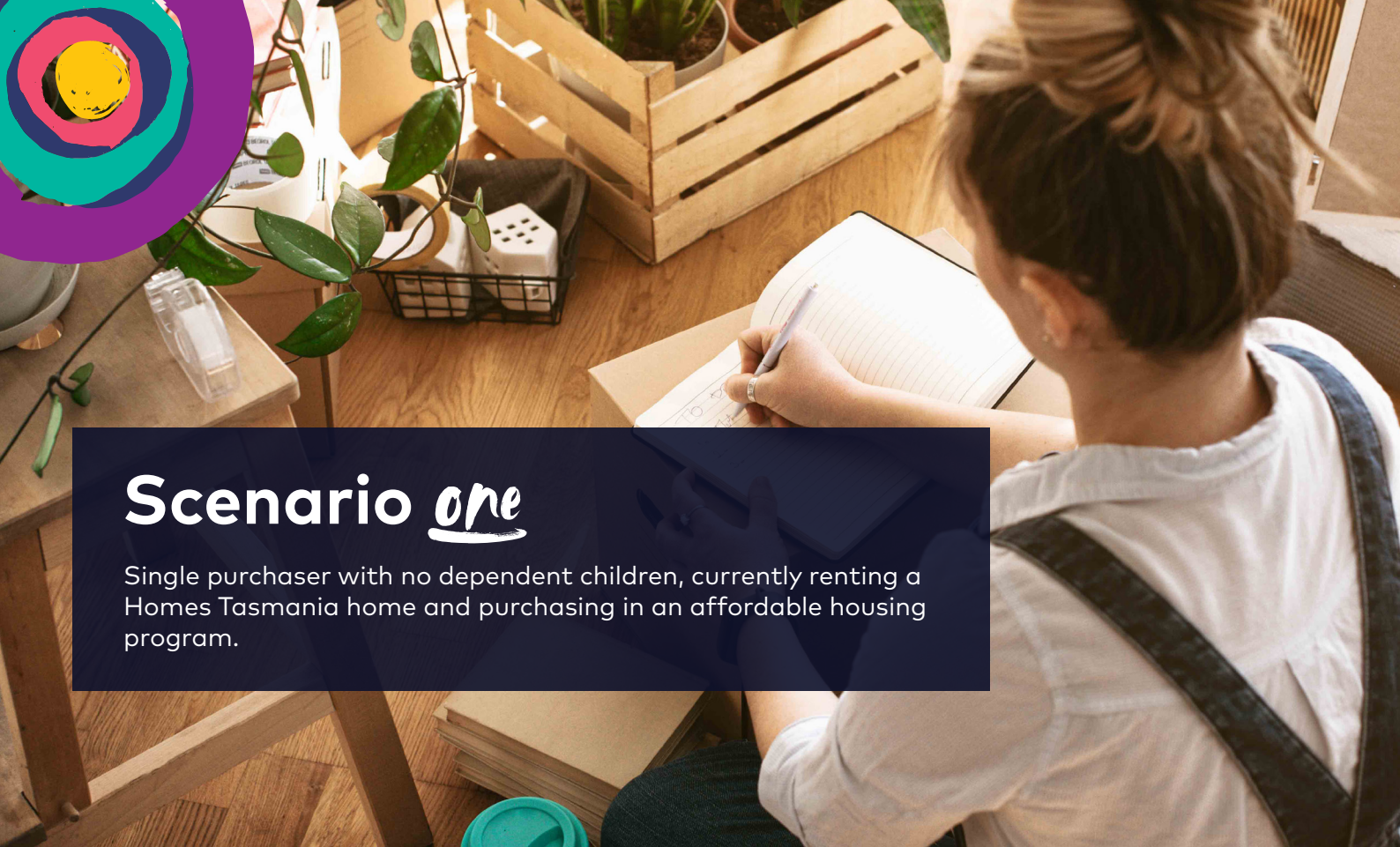
Sarah will have equity / ownership in the property of around 75% and Homes Tasmania will own approximately 25%.

Down the track, Sarah wants to reno her bathroom. Before she starts smashing through walls, Sarah notifies Homes Tasmania to get the proper approvals as she's aware that any substantial renovation or improvement to the property may change the percentage of her ownership and this will need to be negotiated with Homes Tasmania under the terms and conditions of the Tripartite Agreement.

### Future state

Sarah has now lived in her home for seven years. She has continued to make her normal fortnightly home loan repayments and has maintained her home meticulously. If we assume the property prices in Tasmania have increased by 20%, Sarah's home is now potentially worth \$714,000.

Based on the original percentage of ownership between Sarah and Homes Tasmania at approximately 75% and 25% respectively, and without factoring in those bathroom reno's, the dollar value of these shares is now worth around \$535,500 to Sarah and \$178,500 to Homes Tasmania.



## Scenario *one*

Single purchaser with no dependent children, currently renting a Homes Tasmania home and purchasing in an affordable housing program.

### Hypothetical One – Sale of the property to support a new dream home purchase

After seven years, Sarah decides she will sell the home she bought with the assistance of MyHome.

Based on a sale price of \$714,000, approximately \$178,500 will need to be repaid to Homes Tasmania from the sale proceeds.

Considering the above assumptions including the current loan balance from Sarah making normal fortnightly repayments over seven years, paying real estate agents scale commission, and standard legal costs as part of the sale of the property, the net sale proceeds Sarah will receive will be approximately \$93,937. Noting, Sarah's original deposit investment was only \$11,900.

### Hypothetical Two – Purchase of Homes Tasmania share

After seven years, Sarah decides to buy Homes Tasmania's share of the home she bought with the assistance of MyHome. Based on a formal valuation of \$714,000, approximately \$178,500 will need to be repaid to Homes Tasmania to buy-out their share.

Considering the above assumptions, including the current loan balance from Sarah making normal fortnightly repayments over seven years, stamp duty Sarah must pay on the purchase of Homes Tasmania's share, and any legal costs associated with the purchase of the percentage share of the property from Homes Tasmania, Sarah will need to qualify for a new home loan for approximately \$597,825 to cover the purchase. Once finalised, Sarah will have 100% ownership of the property and an equity in the property of \$116,175 (noting again Sarah's original deposit investment was \$11,900).

Disclaimer: The above scenarios have been provided for information purposes only to demonstrate what both the future sale and purchasing of Homes Tasmania's share of a property which is part of the MyHome program may look like based a potential future state. These scenarios and the associated assumptions and calculations should not be relied upon to form an opinion as to whether the MyHome Share Equity Program is right for you. Bank of us can provide more detailed calculations supporting the above scenarios and further describe the hypothetical variables used. Standard fortnightly loan repayments on a variable interest rate home loan were used at current market rates as at the time of preparing these scenarios which may change without notice. You should refer to a Bank of us Home Finance Specialist for further details with regard to your own personal situation and purchase property type and the qualifying rules of the MyHome Share Equity Program.

The information above is not financial or other advice. It has been prepared without considering any person's objectives, financial situation, or particular needs. In all circumstances, the decision to apply to enter into the MyHome program, a home loan arrangement with Bank of us, and the choice of property to purchase, is your own responsibility. You should seek your own independent financial and legal advice as to whether a particular home loan or property, and the terms of the program, suit your personal circumstances and objectives.