

# *information sheet*

## HOMESWEST'S REDEVELOPMENT PROGRAM How Does It Affect You?

**A** 10 year plan to upgrade or sell off aging public housing stock began with the redevelopment of Kwinana and Lockridge in 1995. Homeswest refer to this as New Living but most in the community call it the Redevelopment Program.

Shelter WA, in consulting with community agencies and tenant representatives across WA, have been able to identify how the program has been impacting on the community.

The ultimate aim of the New Living Program is to not have any houses more than 40 years old by the year 2004.

Homeswest's objectives are to:

- create more attractive living environments and to reduce any social stigma that may be attached to the estates;
- reduce Homeswest rental presence to 1 in 9 (11%); and
- encourage home ownership within the redeveloped areas under home ownership programs like GoodStart.

Shelter WA supports in principle, the refurbishment of public housing as a mechanism for providing more appropriate housing for low income people. However, it is important that:

- the process is inclusive of community needs and involves broad consultation;
- the community are provided with all relevant information;

- it does not result in a reduction of public housing stock; and
- it results in minimal impact on the community, particularly public housing tenants.

### Tips for Tenants

- Homeswest's policy is that **no tenant will be forced to move**. However incentives may be offered including: waiving of rent for up to 4 weeks; installing floor coverings, ceiling fans, brick paving and window treatments; security installation; landscaping; and the payment of a water allowance. Some tenants have said that they have felt pressured to move – so remember that **you have the right to take your time to make your decision and get advice if necessary**.
- You may have established yourself in your community with access to a range of services and support. In deciding whether to relocate, you need to think about whether your new place would be close to transport, doctors, schools, shops etc and weigh this up against getting a newer house.
- If you agree to transfer it is wise to confirm in writing exactly what you are agreeing to.
- For people who transfer, Homeswest will pay removal costs and re-connection fees for telephone, electricity, and gas, and you may be reimbursed for improvements and for the cost of re-establishing fixtures.

- If you are moving out, don't forget the importance of completing the Property Condition Report and if necessary ask a friend, relative or community worker to act as an independent witness.
- Some people staying in suburbs undergoing redevelopment have had difficulty getting routine maintenance done while all this work is going on around them. You have the right to have maintenance and repairs done the same as any other time – **Homeswest have a legal obligation to ensure the premises are in a reasonable condition.**
- You have the right to information about the redevelopment program and how it will affect you and remember that **it is always best to put your questions in writing.**

### Tips About Home Ownership

Homeswest offer a range of home ownership programs including GoodStart which is a shared equity arrangement whereby the tenant purchases a minimum 50% share of a Homeswest property. Homeswest owns the rest of the property but does not charge you any rent. You may buy the remaining share of the property when you can afford it. These schemes often help people to buy into a home when they otherwise would not be able to afford to. However, there are a number of things you need to know about these programs:

- Your repayments are set at a maximum of 25% of your income which includes your mortgage repayments, Council and water rates, and building insurance.
- **You will have to bear costs for:**
  - ⇒ insurance for the contents of your home;
  - ⇒ water usage;
  - ⇒ emptying of septic tanks if you are on a septic system;
  - ⇒ the upkeep of the garden;
  - ⇒ any pest inspections and treatments; and
  - ⇒ internal and external maintenance

of the property. Remember older properties can deteriorate very quickly (eg fibro houses). You could be faced with significant costs and if your property isn't maintained it is likely to lose value.

- Home ownership is not an option for everyone, for example, some people may be at an age where it is not feasible for them to take on a mortgage.
- Negative equity is when the amount you owe on the house is more than it is worth, for example, it can occur if the property loses value or if you get behind on your repayments. If you have negative equity, you would have to borrow more money to pay out the mortgage if you sold the property.
- The biggest cause of mortgage problems results from changes to employment circumstances and relationship breakdown. Buying a home is a big commitment and you need to know that you will be able to maintain repayments over a long period of time.
- For a lot of people their mortgage will be only one of many financial commitments so it is important to look at your capacity to repay your mortgage as well as other bills.

### For Further Advice

- Call the Tenants Advice Service Advice Line on Tel: 9221 0088.
- Speak to your local Homeswest office.
- Obtain a copy of the Homeswest New Living Policy from your local office.
- Speak or write to your local Member of Parliament or a member of your local Council.
- See a Financial Counsellor – ring the Financial Counsellors Resource Project on Tel: 9221 9411 to get the contact details for your local Counsellor.