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**CABINET DECISION**

No. .... **5210** .....

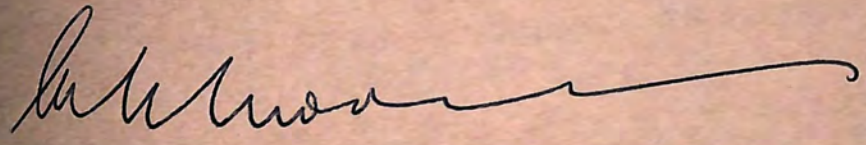
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Submission No.: 4473

Title: INTRODUCTION OF THE NORTHERN TERRITORY SHARED EQUITY HOME OWNERSHIP SCHEME

Cabinet -

- (a) approved -
  - (i) the introduction of the NT Shared Equity Home Ownership Scheme; and
  - (ii) the drafting of Regulations under the Housing Act to provide for its introduction;
- (b) directed that the Department of Lands and Housing consult with the Northern Territory Treasury on the financial implications of the scheme; and
- (c) directed that the matter be brought to Cabinet for finalisation at its meeting of 11 August 1987.



A. G. MORRIS  
Secretary to Cabinet.

2 July 1987

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THE NORTHERN TERRITORY OF AUSTRALIA

Copy No: .....

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FOR CABINET

SUBMISSION No: .....

Title:

INTRODUCTION OF THE NORTHERN TERRITORY SHARED EQUITY HOME OWNERSHIP SCHEME

Minister

THE HON. RAY HANRAHAN MLA, MINISTER FOR LANDS AND HOUSING

Purpose:

TO GAIN CABINET'S APPROVAL TO INTRODUCTION OF A SHARED EQUITY SCHEME FOR HOME OWNERSHIP

Relation to existing policy:

A STRATEGY FOR SHARED EQUITY HOME OWNERSHIP WAS A HOUSING INITIATIVE CONTAINED IN THE CHIEF MINISTER'S CLP POLICY STATEMENT AT THE TIME OF THE LAST ELECTION

Timing/legislative priority:

THE SCHEME IS PROPOSED FOR INTRODUCTION ON 1 AUGUST 1987

Announcement of decision, tabling, etc:

A PUBLIC ANOUNCEMENT IS REQUIRED

Action required before announcement:

PROMULGATION OF REGULATIONS UNDER THE HOUSING ACT WILL BE REQUIRED PRIOR TO IMPLEMENTATION

Staffing implications, numbers and costs, etc:

AN INCREASE IN STAFF LEVELS WILL NOT BE REQUIRED

Total cost:

THE ADDITIONAL COST OF THE SCHEME COULD BE \$5.5M IN 1987/88

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Department/Authority..... **XXXXX** ..... OF THE CHIEF MINISTER.....

COMMENT ON CABINET SUBMISSION No. ....

TITLE: ..... INTRODUCTION OF N.T. SHARED EQUITY HOME .....  
..... OWNERSHIP SCHEME .....

COMMENTS: .....

The Submission is not supported.

It represents an expensive interference by Government in the housing market for dubious good. An estimated outlay of \$5.5M in a time of severe budgetary constraint. Government would obtain much more benefit either socially or economically by applying these funds to other purposes.

The South Australian scheme is targeted at low income tenants wishing to buy only Trust dwellings. Thus it cannot be compared to the proposed NT scheme which is mainly aimed at the private housing sector. No information is provided on the Western Australia scheme.

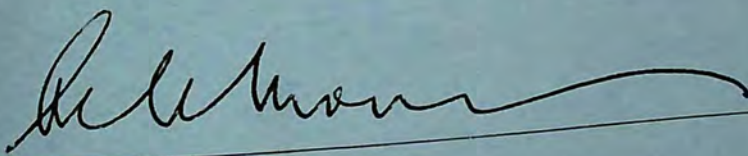
The present high interest rates are having the effect of markedly reducing house prices. This trend is arguably more beneficial to the middle income group of purchasers, at which this scheme is aimed, than a scheme which will have the effect of artificially propping up prices.

The current high interest rates, which ostensibly provide the reason for this proposal, will fall in time. The scheme has no commensurate sunset clause.

No statistics are produced to substantiate the claim that the cost of housing is beyond the means of a large section of the population. Banks report that housing loans have remained steady with only a slight downturn in recent months.

The scheme may be restricted to established and newly constructed dwellings which even casts doubt on its ability to stimulate new construction.

The waiting list for Housing Commission dwellings is at historically low levels, thus the issue is not the availability of housing as such. It is a contrived attempt to stimulate tenants to become purchasers by manipulating the market place.



SIGNED: A G MORRIS

DESIGNATION: SECRETARY

DATE:

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Department/Authority.....**NORTHERN TERRITORY TREASURY**.....

COMMENT ON CABINET SUBMISSION No.

TITLE: ..... **INTRODUCTION OF THE NORTHERN TERRITORY SHARED EQUITY HOME OWNERSHIP SCHEME** .....

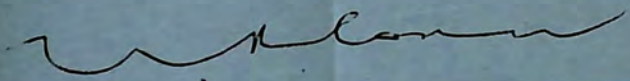
**COMMENTS:**

This Submission should be considered as a new initiative in the context of the 1987/88 budget.

There is insufficient information in the Submission for the Treasury to make an assessment of either the benefits and costs of this proposal or the likely demand for funds upon its implementation. Concern must be expressed at the possibility that demand may be far greater than is expected and, to prevent an open-ended commitment, it is recommended that a limit be placed on the annual funding made available under this scheme, for application on a first come first served basis.

Whether it is the Housing Commission rather than the Department of Lands and Housing which will be the legal entity involved in the scheme requires clarification.

The acceptability of the scheme to private lending institutions, whose participation is noted to be vital, also requires confirmation.



N R CONN

SIGNED:

DESIGNATION: UNDER TREASURER

DATE:

19 JUNE 1987 **CONFIDENTIAL**

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Department/Authority ..... LAW .....

COMMENT ON CABINET SUBMISSION No. ....

TITLE: INTRODUCTION OF N.T. SHARED EQUITY HOME OWNERSHIP SCHEME .....

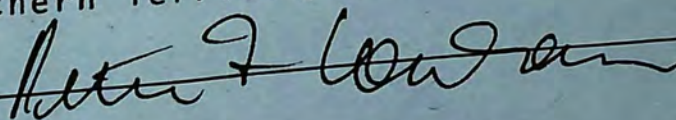
COMMENTS:

This Department has a number of reservations about the proposed scheme.

Whatever it is titled, the arrangement is in reality a low interest loan (approx. 4.25%) to home buyers. The scheme is available generally; it is not limited to low income earners. Concern is expressed, that given the low level of interest, there exists no incentive for the home buyer to buy out the Territory's interest as a tenant in common. Clearly, the home buyer can, in effect, invest Territory funds in the open market and gain considerably more interest on that investment than he or she is required to pay to the Northern Territory. Concern is expressed that the scheme may therefore be the subject of abuse.

The Northern Territory, as co-owner, would also incur obligations liability e.g. in respect of rates. While it is intended that such obligations, such as rates etc, become the responsibility of the equity participant pursuant to an agreement, nevertheless it is inevitable that default in payment of such obligations as rates will occur. I anticipate that in such circumstances, Councils would seek to recover such rates from the co-owner i.e. the Northern Territory.

Following from some discussions which have already taken place, this Department is currently considering the viability of further securing the Northern Territory's interest (if the proposal is to proceed) by registration of an encumbrance over the title, which would give the Northern Territory power of sale in the event of default.

SIGNED: Clyde Croft 

DESIGNATION: Secretary, Department of Law

DATE: 17 June 1987

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Department/Authority LAW

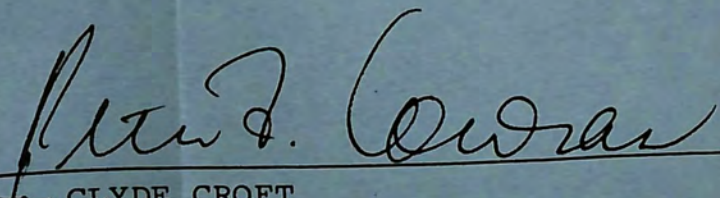
**COMMENT ON CABINET SUBMISSION No.**

**TITLE:** INTRODUCTION OF N.T. SHARED EQUITY HOME OWNERSHIP SCHEME

**COMMENTS:**

If the proposal is to proceed, consultation with this Department must continue to ensure the Northern Territory's interests are fully protected.

There are no constitutional barriers.



SIGNED 17 CLYDE CROFT

DESIGNATION: Secretary, Department of Law

DATE: 17 June 1987

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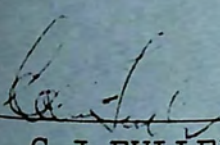
Department/Authority ~~XXXXXX~~ INDUSTRIES AND DEVELOPMENT

COMMENT ON CABINET SUBMISSION No. ....

TITLE: INTRODUCTION OF THE NORTHERN TERRITORY SHARED EQUITY  
HOME OWNERSHIP SCHEME

COMMENTS:

The Cabinet Submission in its present form is supported.

  
SIGNED: C J FULLER

DESIGNATION: SECRETARY

DATE: 17<sup>th</sup> JUNE 1987

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ISSUES

1. This Submission is to present for Cabinet's consideration a proposal to introduce a Shared Equity Home Ownership Scheme in the Northern Territory.

BACKGROUND

2. Shared equity schemes are currently operated by both the South Australian and West Australian housing authorities, although there are significant differences between each of these schemes and the proposed NT Scheme.
3. In the current economic climate of high interest rates, the cost of housing in the Northern Territory is beyond the means of a large section of the population. Whilst the NT Home Purchase Assistance Scheme (NTHPAS) is of some benefit, mainly to lower income groups, reduced market activity over the last 12 months and advice from private sector participants in the housing industry indicates that it offers little real benefit to other than the lowest income earner.
4. The Chief Minister, when announcing the CLP's policy statement at the time of the March 1987 election, stressed the Government's overriding commitment to continued encouragement of home ownership. As part of the strategy for future housing policy directions, a shared equity ownership scheme proposal was announced.

CONSIDERATION OF THE ISSUES

5. A Shared Equity Ownership Scheme would allow potential home owners to purchase an affordable equity in a

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- dwelling, using private sector finance. The Government would provide the residual purchase price, with title to the dwelling in the names of the purchaser and the Government on the basis of Tenants in Common. The purchaser would be able to purchase the remaining equity from Government when finances allowed.
6. It is proposed that the purchaser must purchase a minimum 50% equity in the property and be able to provide a minimum 10% of the total purchase price as deposit. The loan amount will be self-regulatory in that it will be governed by the purchaser's ability to repay, in line with normal lending practices.
  7. The Government's contribution to the purchase price, based on market value, will be limited to 50% of the value or \$40 000, whichever is the lesser. The purchaser may elect to purchase the whole of the remaining equity at any stage. As with the original purchase, the price then will be based on market valuation. However allowances will be made for the purchaser's improvements to the property subsequent to the original purchase. All fees (stamp duty, transfer and agents' fees, valuations etc) will be the responsibility of the purchaser.
  8. Whilst the Scheme is intended primarily to stimulate activity in the private sector market place, it could also be utilised by Housing Commission tenants who may wish to purchase their dwellings. Although the level of demand from tenants is not expected to be high, this opportunity is considered necessary to cater for those tenants who come to regard the Government-rented dwelling in which they reside as "home", to the extent that they wish to settle there permanently.

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9. The purchaser would have the normal rights of home ownership, and total responsibility for maintenance, insurance, rates and charges. This will result in pro-rata reduction in rent payments to Government for its share of the property.
10. It is intended that eligibility criteria applicable to previous Government home loan schemes will apply, as follows:
- (a) Applicants must not own or have an interest in another dwelling in Australia;
  - (b) The dwelling to be purchased will be the applicant's first home in that centre (discretion to apply in certain circumstances);
  - (c) The applicant must intend to reside in the dwelling;
  - (d) The applicant must have resided in the Northern Territory for a minimum of six months;
  - (e) The applicant's income (or the highest income earner's income in the case of a joint application) must not exceed 140% of the Northern Territory Average Weekly Male Earnings (NTAWME), currently a limit of \$695 per week;
  - (f) Maximum house / land package value not to exceed \$100 000; and
  - (g) The dwelling must conform with all relevant building and planning regulations.

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11. This proposal has been developed in consultation with representatives from the housing industry. The co-operation of private lending institutions in particular is essential to the success of such a scheme. As such, it is intended that a formal agreement will be executed with each lender. A draft agreement has been prepared for consideration by lenders, a copy of which is at Attachment A.
12. It is intended that the Department's involvement in processing the Scheme will be kept to a minimum level. As well as reducing the overall cost to Government of administration, this will allow for minimum interference in natural market forces and competition between lenders. The Department will assess eligibility of the applicant and adequate security of the property. Applicants will then be able to approach private lenders to finance their equity in the purchase.
13. Private lenders will assess prospective purchasers according to their particular lending criteria, including in their assessment, as part of affordability, the rent payment to Government on its equity. A table which illustrates the theoretical purchasing ability of various income earners is at Attachment B.
14. Investigations are currently being undertaken into the feasibility of inclusion of strata-titled home units in the Scheme. As medium density housing represents a considerable portion of the home purchase market in the NT, and private sector representatives have made strong representations in this regard, it is considered essential that it be included. However, there is a need to firstly resolve issues relating to ownership rights and responsibilities under the Unit Titles Act.

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15. Similarly, there may be a need to initially restrict eligibility to established and newly constructed dwellings. For owner-builders in particular, problems may arise with regard to standards of dwellings and completion within a reasonable time frame that could otherwise jeopardise the Government's equity.
16. If either of these latter issues cannot be resolved by the date of introduction, it is proposed that they be deferred from the terms of the scheme pending further investigation.

OPTIONS

17. Options available to Government include:

A. not introducing the Scheme. This would not be favoured by industry which has expectations of a shared equity scheme being introduced in the near future. As well, there is concern that if some means of increasing access to home ownership is not introduced soon, the currently stagnant situation in the market place will worsen;

B. introduce variations to the outlined Scheme.  
Options available include

- minimum equity which the purchaser must purchase, and subsequent proportions which he/she may purchase

. The South Australian scheme provides for an initial 25% equity purchase, plus increases in 10% of value. This is not considered applicable to the NT situation, and would be administratively cumbersome and expensive.

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- reduce purchaser's minimum deposit. Industry has proposed a minimum 10% equity in order to protect interests of both lender and Government. Access to the Commonwealth's First Home Owner's Grant will provide some assistance towards the deposit gap for low income earners who may qualify.
  
  - traditional eligibility criteria such as first home owner in the NT, not owning a dwelling elsewhere in Australia and residential qualification. It is considered that these should be retained in order to target Government assistance toward creating a secure and stable population base in the NT.
- C. introduce the Scheme as proposed. The proposed conditions for the Scheme have been developed to yield maximum benefit to the community and industry for minimum Government outlay and minimum administrative complexity. This option is favoured. An outline of conditions is at Attachment C.

PUBLIC IMPACT OF RECOMMENDATIONS

18. It is difficult to gauge the public acceptance of the Scheme and thus its impact on the market place. The South Australian scheme has had minimal impact since its introduction in November 1986. However, it varies from this proposal in that it is targetted at low income tenants wishing to buy only Trust dwellings and cannot be directly compared to the proposed NT Scheme.

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19. Indications from industry representatives are that the Scheme will be well received and will make home ownership more affordable to many who cannot now afford it.
20. The Scheme has had favourable reactions from areas of the housing industry which have been consulted.

#### FINANCIAL CONSIDERATIONS

21. On the basis of discussions with industry, it is estimated that total demand under the Scheme could result in expenditure during 1987/88 of approximately \$12m, representing some 300 transactions. However, a proportion of these would represent demand transferred from NTHPAS. Expenditure for the Scheme plus estimated provision for loans through NTHPAS could total \$21.0m in 1987/88. Accordingly, the net additional cost of introducing the Scheme over the expenditure on home ownership assistance in 1986/87, could be approximately \$5.5m. This cannot be regarded as an accurate prediction due to the unknown level of demand.
22. The Department will also have to incur administrative expenditure in acquiring a suitable computer software package to administer the Scheme. Current software cannot cope or be cost-effectively modified. The Department has been researching its needs for a suitable package to effectively manage existing loans programs and, having recently gone out to tender, believes a package in the order of \$0.4-\$0.5m can be obtained to effectively administer existing programs, this Scheme and future schemes / variants.

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EMPLOYMENT CONSIDERATIONS

23. It is anticipated that the Scheme can be administered using existing staff. Any increase in activity in the market place could result in more private sector employment particularly in the depressed building industry.

COMMONWEALTH AND LOCAL GOVERNMENT RELATIONS

24. Provided that the Scheme is targetted at lower income levels (up to 140% NTAWME as under the current NTHPAS), it is consistent with the provisions of the Commonwealth State Housing Agreement.

CO-ORDINATION

25. Comments have been sought from the Departments of Law, Chief Minister and Industries and Development, and the NT Treasury. These are attached. In order to achieve the deadline for implementation agreed to with industry, this Submission has not been able to be considered at a Co-ordination Committee meeting.

LEGISLATION

26. Regulations under the Housing Act will be required. Discussions with the Department of Law have commenced in this regard.

PUBLICITY

27. A public announcement at the time of introduction of the Scheme will be required. A draft Press Release is at Attachment D.

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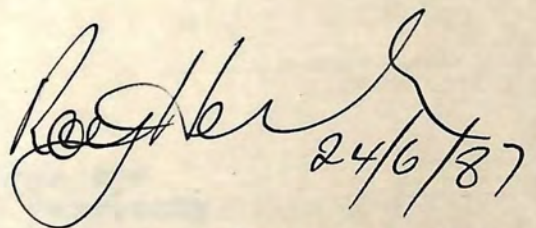
TIMING

28. It has been agreed with industry to aim at commencing the Scheme on 1 August 1987. If this date is to be achieved, Regulations providing for the introduction of the Scheme must be commenced by then.

RECOMMENDATION

29. It is recommended that Cabinet approve:

- A. introduction of the NT Shared Equity Home Ownership Scheme;
- B. drafting of Regulations under the Housing Act to provide for its introduction; and
- C. provision in the 1987/88 NT Housing Commission Budget of
  - \$12m for funding the NT Shared Equity Ownership Scheme
  - \$0.5m for purchase of a software package for processing and administration of the Scheme.



24/6/87

MINISTER FOR LANDS AND HOUSING

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NORTHERN TERRITORY  
HOUSING COMMISSION

and

LENDING INSTITUTION

NORTHERN TERRITORY  
EQUITY OWNERSHIP  
LENDER'S AGREEMENT

Solicitor for the  
Northern Territory,  
Wells Building,  
Mitchell Street,  
DARWIN N.T. 5790

REF: WIP.87.K.1951  
WD:jl

TEL: (089) 89 7233  
DATED: 09/06/87

DRAFT

**DRAFT**

ATTACHMENT A

THIS AGREEMENT is made between NORTHERN TERRITORY HOUSING COMMISSION of Sturt House, Linton Street, Casuarina in the Northern Territory of Australia (hereinafter called "the Commission")

of the one part, and

\_\_\_\_\_

of

(hereinafter called "the Lending Institution")

of the other part

WHEREAS:

A. The Commission and the Lending Institution wish to assist persons eligible to participate in the Northern Territory Equity Ownership Scheme upon the terms and conditions appearing hereunder.

B. The Lending Institution, whilst assuming no obligation to advance moneys to any particular applicant, is prepared to advance moneys to such eligible persons, to enable them to purchase interests in properties to be held by such persons as tenants in common with the Commission, on the security of first Mortgages over such interests but not over the Commission's interests in such properties, provided that the Commission gives certain undertakings which are set out hereunder.

C. The Commission is prepared to give such undertakings provided that the Lending Institution will fulfil certain obligations to the Commission as set out hereunder.

**DRAFT**

NOW IT IS AGREED AS FOLLOWS:

1. This Agreement shall apply to all first Mortgages given to the Lending Institution by persons entering into Northern Territory Equity Ownership Scheme Agreements with the Commission and purchasing interests in properties as tenants in common with the Commission where:
  - 1.1 the Mortgage is in the form of the standard document used by the Lending Institution for normal home loans at the time of granting the loan;
  - 1.2 the principal secured by the Mortgage is advanced for the purchase of an interest in a property as tenant in common with the Commission;
  - 1.3 The Mortgagor is not prejudiced as to interest rate against other customers of the Lending Institution by virtue of his or her involvement in the Northern Territory Equity Ownership Scheme;
  - 1.4 the Mortgagor has paid a minimum deposit of ten percent (10%) of the total cost of the property inclusive of any entitlement the Mortgagor has under the Commonwealth First Home Owners Act, 1983.
2. Where a Mortgagor is in arrear with not less than three (3) monthly instalments under the Mortgage the Lending Institution will notify the Commission in writing of that fact, and where the Mortgagor remains in arrear the Lending Institution will give the Commission such information as the Commission reasonably requests relating to such arrears.
3. Where a Mortgagor is in arrear with not less than four (4) monthly instalments under the Mortgage the Commission within one month of being notified by the Lending Institution of such arrears will, in the absence of any other arrangement it may make with the Lending Institution, at its option either:-

**DRAFT**

(a) pursuant to clause 4(2)(b) of the Northern Territory Equity Ownership Agreement, request the Mortgagor to transfer to the Commission the Mortgagor's interest in the property at its then current market value which shall be determined by the Valuer-General so that the proceeds of such transfer are, to the extent necessary, paid to the Lending Institution in re-payment or part re-payment of the moneys secured by the Mortgage and the Lending Institution shall thereupon execute a discharge of the Mortgage, provided that, if the Commission wishes to do so, it may request such transfer prior to the Mortgagor being four (4) months in arrears; or

(b) require the Lending Institution to exercise its Mortgagee's power of sale of the Mortgagor's interest in the property and the Commission shall, simultaneously with the Lending Institution, offer for sale its interest in the property and the costs of such sale shall be shared equally by the Lending Institution and the Commission and the proceeds of sale shall be divided as between the Lending Institution and the Commission in the same ratio as the interest held in the property by the Mortgagor and the Commission respectively.

4. If because of the act or neglect of the Mortgagor the Commission is unable to obtain the transfer referred to in clause 3(a), the provisions of clause 3(b) shall apply.

5. Where a Mortgagor is in arrear, the Lending Institution will issue such notices and demands to the Mortgagor as it would issue in respect of other owner/occupier home loan Mortgagors.

6. The Lending Institution will not withhold its consent to any transfer of the Mortgagor's interest in the property to the Commission, provided that both the Mortgagor and the Commission request that consent, of which request the execution of a transfer shall be sufficient evidence.

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ATTACHMENT B

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NORTHERN TERRITORY SHARED EQUITY OWNERSHIP SCHEME

PURCHASING ABILITY AT VARIOUS INCOMES

Minimum deposit 10% of the purchase price

50% equity to \$80 000 purchase - maximum Government contribution of \$40 000

Monthly repayments at 15.5% p.a. over 25 years

Rent payments based on cost rent

Required weekly earnings based on repayments = 25% of earnings

	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
PURCHASE PRICE	55 000	60 000	65 000	70 000	75 000	80 000	85 000	90 000	95 000	100 000
MINIMUM DEPOSIT	5 500	6 000	6 500	7 000	7 500	8 000	8 500	9 000	9 500	10 000
GOVERNMENT EQUITY	27 500	30 000	32 500	35 000	37 500	40 000	40 000	40 000	40 000	40 000
MORTGAGE	22 000	24 000	26 000	28 000	30 000	32 000	36 500	41 000	45 500	50 000
MONTHLY RENT	103	113	122	131	141	150	150	150	150	150
MORTGAGE REPAYMENT	290	317	343	370	396	422	482	541	600	660
TOTAL	393	430	465	501	537	572	632	691	750	810
WEEKLY SINGLE INCOME REQUIRED	363	397	429	462	496	528	583	638	692	748
% NTAWME (a)	73%	80%	86%	93%	100%	106%	117%	128%	139%	150%

a) It is intended the scheme will be restricted to borrowers where the major income earner earns less than 140% NTAWME.

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ATTACHMENT C (1)

NT SHARED EQUITY OWNERSHIP SCHEME

CONDITIONS

A. Eligibility of Applicant

1. Must not own or have an interest in another dwelling in Australia.
2. Must not have previously owned a dwelling in the same centre (discretion may apply in certain circumstances).
3. Must have resided a minimum of six months in the Northern Territory.
4. Gross income (in the case of a joint application, highest gross income) must not exceed 140% NTAWME.
5. Must intend to occupy the dwelling as a home.

B. Property

1. Value must not exceed \$100 000.
2. Must comply with building code.
3. Must represent adequate security for both lender and Government.

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ATTACHMENT C (2)

C. Responsibility of Purchaser

1. Pay rent to Government for its equity in the property.
2. Insure and keep insured, property to its full value.
3. Meet all payments associated with the property, such as rates, taxes etc.
4. Maintain dwelling to a reasonable standard, and be responsible for all maintenance costs.

D. Responsibility of the Lender

1. Loan to purchasers should be at the normal rate of lending for owner occupation and at the normal conditions applying to home loans.
2. Lender must ensure that purchaser's equity is the maximum possible taking into account the purchaser's deposit and the lender's normal home lending criteria.
3. Lender is to inform Government of any default in repayment of loan and default action taken to counter this.
4. Lender agrees to co-operate with Government regarding any action which may need to be taken to protect the financial interests of both in the property.



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## ATTACHMENT C (3)

E. Responsibility of Government

1. As a Tenant in Common in a property the Government will agree not to unduly interfere with the purchaser's normal rights regarding home ownership provided the purchaser adheres to the terms of the agreement.
2. The Government agrees to co-operate with the lender regarding any action which may need to be taken to protect the financial interests of both in the property.

F. The Scheme

1. Purchaser's equity in the property to be a minimum of 50% of the value.
2. A minimum of 10% of the value must be provided by the purchaser as deposit.
3. The Government's contribution to the purchase will be 50% of the value, or \$40 000, whichever is the lesser.
4. Title to the property will be on the basis of Tenants in Common.
5. The interests of the lender will be limited to that proportion of equity in the dwelling which is the purchaser's.

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DRAFT PRESS RELEASE

ATTACHMENT D

NORTHERN TERRITORY SHARED EQUITY OWNERSHIP SCHEME

The Minister for Lands and Housing Mr Ray Hanrahan today announced a new scheme to assist Territorians faced with the daunting prospect of buying their first home.

Called the Northern Territory Shared Equity Home Ownership Scheme, it is designed to allow prospective purchasers to buy an affordable share of the dwelling of their choice.

This means persons will be able to buy homes with a minimum 10% deposit using finance from a private lender, and still be able to afford repayments.

The remaining purchase price of the property - up to 50% of its value in certain cases - will be made available under this scheme.

The buyer will be able to enjoy all rights of home ownership, and, by accepting the normal responsibilities of owning a home, pay a reduced rental for the Government's equity in the dwelling.

The remaining equity in the dwelling can be bought from the Government at the prevailing market value when the owner's financial situation allows.

The scheme will provide a new way of overcoming the problems of affording home ownership in the current economic climate of high interest rates.

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