



Housing SA, Community Partnerships and Growth

GROUP SELF BUILD EQUITY REDEMPTION POLICY

**VERSION NUMBER: 2
STATUS: APPROVED
16 NOVEMBER 2009**

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Attachment – Form

“Application by a participant entitlement holder to redeem participant entitlement”

1. Legislative / Authority Base

Section 57 of the *South Australian Co-operative & Community Housing Act 1991*

2. Principles

This Policy is written on the premise that participants of Group Self Build projects are entitled to redeem their equity in the property.

3. Purpose and scope

This policy provides the methodology by which equity is calculated for tenants of self-build Co-operatives making application for redemption.

4. Actions - Process for redeeming equity

- 4.1.1 Equity will be paid out at any time the equity holders request it in writing to the Assets Co-ordinator, Housing SA, Community Partnerships and Growth.
- 4.1.2 Assets Co-ordinator will be responsible for facilitating the equity redemption process. The Assets Co-ordinator will liaise with the Association/Co-operative regarding the redemption and debts owing to the Association/Co-operative by the participant/s.
- 4.1.3 The value of the equity will be determined by Housing SA, Community Partnerships and Growth using a current market value determined by an independent professional Valuer engaged and paid for by Housing SA, Community Partnerships and Growth.
- 4.1.4 The participant and the Association/Co-operative will complete the relevant forms and return to Housing SA, Community Partnerships and Growth.
- 4.1.5 The participant must surrender the original share certificate to the Association/Co-operative on redemption.
- 4.1.6 The Association/Co-operative must cancel the Share Certificate if the entire amount of equity is redeemed, make a notation in the Share Register of the redemption and advise their auditors. The cancelled share certificate should be returned to Housing SA, Community Partnerships and Growth.
- 4.1.7 The Association/Co-operative may deduct any debts owing to the Association/Co-operative by the participant/s from the proceeds of the redemption.

Group Self Build Equity Redemption Policy

These debts may include-

- Tenant damage to the property verified by formal inspection reports on occupancy and vacation
- Outstanding rent arrears that can be verified by individual rent records
- Any amount duly authorised by the Association/Co-operative via the establishment of a Rule, By-law or an amendment to the Tenancy Agreement relating to an amount owing by a tenant.
- Any other amount previously agreed by the tenant as owing to the Association/Co-operative

5. Attachments

Application Form for the Redemption of Self Build Equity - "Application by a participant entitlement holder to redeem participant entitlement" (Form 7a)

6. Revision Date

This Policy will be revised as necessary.

7. Authority Approval

Signature..... Dated: / /

Jane Fletcher, Manager, Community Housing Policy and Operations

Signature..... Dated: / /

Maria Fidge, Director, Housing SA, Community Partnerships and Growth

8. Version Record

Version 1 of this policy was first approved in August 2002. Changes in subsequent versions are as follows:

Version number	Version Date	Change description	Principal Change Author
1	August 2002	Development of new policy	-
2	November 2009	<ul style="list-style-type: none"> ▪ Group Self Build program is no longer functional. ▪ Updating policy to include process for redeeming equity from Community Partnerships and Growth. ▪ Removal of all references to early payouts/redemption of equity (within 12 months of building), as all properties in the Group Self Build program are now 10 years old or more. ▪ Inclusion of updated process for applying for equity redemption ▪ Insertion of correct responsibility-titles e.g. Assets Co-ordinator ▪ Attachment of updated Form for application of equity redemption 	Monique Pringle

ATTACHMENT 1

Schedule 7—Application by a shareholder to redeem investment shares under section 57(3)(e) of the *South Australian Cooperative and Community Housing Act 1991*

To: *[Insert name of co-operative] (the co-operative)*

PURSUANT to section 57(3)(e) of the *South Australian Co-operative and Community Housing Act 1991 (the Act)* and the regulations under the Act, the investment shareholder named and described below in item 1 of the Schedule to this application HEREBY REQUESTS the redemption of the investment shares described in item 2 of the Schedule.

This application is being made on the following grounds, namely *[provide appropriate details]*.

In making this application, the shareholder acknowledges that the co-operative may take up to three months to redeem the shares and that the shares will be redeemed for the statutory price payable under the Act (and defined in section 4 of the Act) at the date of redemption.

Schedule

Item 1: *[Name and address of shareholder]*

Item 2: *[Description of investment shares to be redeemed]*

- 1 Certificate number:
- 2 Number of shares:
- 3 Parcel Identifying Number:
- 4 Description of property:

.....
[Signature of shareholder]

.....
[Print name of shareholder]

DATED the..... day of.....20 .