



WHAT HAPPENS WHEN A RESIDENT DECIDES TO SELL



Keeping homes affordable for future residents

Unlike the private market, CLT homeownership isn't about making a profit from rising property values. It's about providing secure, affordable housing for local people, now and into the future.

WWCLT uses a *Limited Appreciation System*—an agreement that sets the resale price using a set formula and helps find the next buyer. This keeps homes affordable over time by linking prices to local wages, not land values, so the whole community benefits in the long run.

How the Resale Formula Works

When you sell your share of the home, the **Resale Formula** sets the price.

This formula:

- Uses a **resale index**, which is an average of:
 - The Consumer Price Index (CPI) (tracks cost-of-living changes).
 - The NSW Full-Time Ordinary Earnings Index (tracks wage growth).
- Balances the interests of both the **seller and future buyer**, ensuring affordability. The seller can be confident that they will recoup their initial costs while it also remains affordable for incoming buyer.
- Adjusts your original purchase price (Initial Contribution) each year using this index.
- Includes any **approved major improvements** in the final price.
- If property values go down, you will **at least** get back your original purchase price plus the value of improvements.

Selling Your Home

The **company** has the first option to buy your home or find an eligible buyer who meets the affordability criteria.

Sales must follow the rules set out in your **Resident Member's Deed of Agreement**.

This system ensures homes remain **affordable and fair** while still allowing owners certainty if they decide to sell their homes.

Note: Prior to joining, all Resident Members are required to undertake a financial training package to ensure they fully understand the financial implications of the terms of the Deed of Agreement, including the Resale Formula. This package includes alternative strategies for wealth creation other than the speculative housing market.

To find out more or connect with Waterfall Way CLT Ltd



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Benefits of Limited Appreciation System

Ensures affordability now and into the future



Balances interests of both seller and future buyer



Links housing costs to local wages



Housing for the community benefit



Simplified example of Resale Formula

The following is a simplified forecast to provide an example of the resale formula.

Year	1 bedroom (\$202,034)	2 bedrooms (\$550,835)	3 bedrooms (\$606,104)
2025	\$202,034	\$550,835	\$606,104
After 1 year	\$207,590	\$565,988	\$622,819
After 5 years	\$231,400	\$631,110	\$694,042
After 10 years	\$257,906	\$704,360	\$773,239

Assumptions: Average CPI rate of 2.5% and average NSW Earnings Index of 3% resulting in an average resale index rate of 2.75%

For more information:

WWCLT Constitution
Charitable purposes & powers pp.6-7
Deed of Agreement

Date:
July 2025

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