

Buying your first home made easy

KiwiSaver and
Welcome Home Loan



Have you always dreamed of owning your own home, or buying land to build on, but thought you couldn't afford it?

Well you might be able to turn that dream into a reality. You may be eligible to access one or all of three government home ownership products designed to help people on low or fixed incomes into their own homes.

By combining all three you may have a larger deposit and be able to finance your home purchase more easily.

The three products are:

- **KiwiSaver HomeStart grant**
- **KiwiSaver first-home withdrawal**
- **Welcome Home Loans.**

If you have previously owned a home, but no longer do so, you also may be eligible for the grant, first-home withdrawal and a Welcome Home Loan. See the table on the next page.



Which product is right for me?

The table will help you determine which product is best for you and where to find more information in this booklet.

WHAT'S MY SITUATION?	WHAT COULD I GET?	HOW DO I APPLY?	WHERE DO I GO FOR MORE INFO?
I am a first home buyer. I want to apply for the KiwiSaver HomeStart grant.	Access to a grant of up to \$10,000	Apply to Housing New Zealand.	See page 7 to find out if you are eligible.
I am a first home buyer. I want to apply for the KiwiSaver first-home withdrawal.	Access to your KiwiSaver savings	Apply through your KiwiSaver scheme provider.	See page 13 to find out if you are eligible.
I am a previous home owner. I want to apply for the KiwiSaver HomeStart grant and/or the first-home withdrawal.	Access to a grant of up to \$10,000 and/or your KiwiSaver savings	Apply to Housing New Zealand to determine if you are in the same position as a first home buyer and are eligible for the grant and/or the first-home withdrawal. Then apply to your scheme provider for the first-home withdrawal.	See page 12 to find out more.
I am a first home buyer and want a low deposit home loan.	Access to a low deposit loan available from participating lenders	Apply to a participating lender for a Welcome Home Loan.	See page 19 to find out more.



What is KiwiSaver?

KiwiSaver is a voluntary, work-based savings initiative to help you save for your retirement. It has a range of membership benefits including contributions from your employer and the Government. It can also help with buying your first home through the HomeStart grant and the first-home withdrawal.

How the KiwiSaver HomeStart grant works

After three years of regularly contributing to KiwiSaver at the minimum percentage of your total income you may be entitled to the HomeStart grant.

If you are purchasing an existing/older home the HomeStart grant is \$1,000 for each year of contribution to the scheme:

- 3 years of contributing = \$3,000 (the minimum you can get)
- 4 years of contributing = \$4,000
- 5 years of contributing = \$5,000 (the maximum you can get).

If you are purchasing a new home, a property bought off the plans or land to build a new home on, the HomeStart grant is \$2,000 for each year of contribution to the scheme:

- 3 years of contributing = \$6,000 (the minimum you can get)
- 4 years of contributing = \$8,000
- 5 years of contributing = \$10,000 (the maximum you can get).

Two or more borrowers can combine their deposit subsidies to help buy a home, for example a couple who have both been contributing to KiwiSaver for five years could be eligible for grants totalling \$20,000.

There are other eligibility criteria to meet, see our "Buying your home with KiwiSaver" booklet or visit www.hnzc.co.nz for more details or use the step by step guide on pages 7 to 11.

Work out the HomeStart grant you could be entitled to with our online calculator. To give you an estimate of the HomeStart grant you could be entitled to visit www.kiwisaver-homestart.co.nz/calculator and answer a few simple questions.

Before you apply for a HomeStart grant or a first-home withdrawal, we recommend you find out the following about your KiwiSaver scheme account:

- the name of your scheme provider and what type of scheme it is
- how long you have been contributing
- how much you have been contributing.

Some employer-sponsored superannuation schemes – called complying funds or exempt employer schemes – may also be eligible for the KiwiSaver benefits. If you are a member of one of these schemes you may be eligible for the HomeStart grant and some complying funds also permit savings to be withdrawn to buy your first home. Contact your fund trustees to find out if this is possible.

What if I'm not a member?

If you are thinking about buying a property and are not yet a member of a KiwiSaver scheme, then find out how to join by calling **0800 549 472**, or visiting www.kiwisaver.govt.nz



How to apply for the KiwiSaver HomeStart grant

STEP

1

Check you are eligible for the HomeStart grant

- ☐ I am 18 years or over.
- ☐ I have not received the HomeStart grant or previous KiwiSaver deposit subsidy before.
- ☐ I am a member of a KiwiSaver scheme, complying fund or exempt employer scheme (contact your scheme provider to check your scheme is eligible).
- ☐ I have contributed at least the minimum allowable percentage of my total income to a KiwiSaver scheme, complying fund or exempt employer scheme for at least three years. (From 1 April 2013 the minimum contribution was increased to 3 percent of your income, 3 percent of the minimum wage for non-earners or 3 percent of your yearly benefit for beneficiaries. From 1 July 2007 to 31 March 2009 the minimum contribution was 4 percent, and from 1 April 2009 to 31 March 2013 it was reduced to 2 percent.)
- ☐ I am the sole buyer and I have earned \$80,000 or less (before tax) in the last 12 months.
- ☐ We are two or more buyers who have earned a combined income of \$120,000 or less (before tax) in the last 12 months.
- ☐ I have a deposit that is 10 percent or more of the purchase price. (The 10 percent deposit includes the money you can withdraw through the KiwiSaver first-home withdrawal feature, the HomeStart grant amount you or the other purchasers may be eligible for and any other funds, such as savings, fixed and term deposits or funds already paid to a real estate agent or solicitor. The deposit can also be gifted by a relative with a gifting declaration.)
- ☐ I am buying one of the following types of property and land arrangements:
 - fee simple
 - stratum estate (freehold and leasehold)
 - cross-lease (freehold and leasehold)
 - leasehold
 - multiple-owned Māori land.

(For more information on these property types – read the glossary at the back of this booklet, contact Housing New Zealand or talk to your solicitor.)

STEP

2

Check that the property you want to buy is also eligible

If you are buying a house, the house also needs to meet the following criteria. (If you are buying land to build on, ignore this step, and go to step three.)

- ☐ It will be my only house. (You cannot own any other houses.)
- ☐ The house will be used as my primary place of residence for at least six months from the settlement date. (The HomeStart grant cannot be used to buy an investment property.)
- ☐ The house is within the maximum house price caps. All regions are based on the Territorial Local Authority boundaries. The house price caps are:
 - Auckland – **\$550,000**
 - Hamilton City, Tauranga City, Western Bay of Plenty District, Kapiti Coast District, Porirua City, Upper Hutt City, Hutt City, Wellington City, Nelson City, Tasman District, Waimakariri District, Christchurch City, Selwyn District, Queenstown Lakes District – **\$450,000**
 - Rest of New Zealand – **\$350,000**.
- ☐ If the house you are buying received its building code compliance certificate less than six months before the date of the HomeStart grant application, then you may be eligible for a HomeStart grant of \$2,000 for each year of KiwiSaver contribution, up to a maximum of \$10,000.

STEP

3

If you are buying land and planning to build a house on it, check you meet the following criteria

(Please note this does not apply if you are buying an existing/older home or new home or a home bought off the plans. Only use this step if you are buying land to build on.)

- ☐ I have a signed fixed price building contract that clearly shows the cost of building the home and the projected date for the completion of the construction (you will need to supply us with a code compliance certificate to show that this has been done on or before the projected date for completion).
- ☐ I am buying land with a view to relocating a home on the site, and need to provide Housing New Zealand a signed copy of the agreement for sale and purchase for the land, along with evidence of the cost to purchase and relocate the property and a copy of a fixed price contract that clearly states the cost and projected timeframe to have the property consented and habitable. I need to provide a copy of the code compliance certificate to show that this has been done.
- ☐ I will live in the house as my primary place of residence for at least six months from the date the code compliance certificate is issued.
- ☐ I have funding for the construction of the home.
- ☐ The total cost of both the land and the house is within the house price caps. All regions are based on the Territorial Local Authority boundaries. The house price caps are:
 - Auckland – **\$550,000**
 - Hamilton City, Tauranga City, Western Bay of Plenty District, Kapiti Coast District, Porirua City, Upper Hutt City, Hutt City, Wellington City, Nelson City, Tasman District, Waimakariri District, Christchurch City, Selwyn District, Queenstown Lakes District – **\$450,000**
 - Rest of New Zealand – **\$350,000**.
- ☐ The land or site is ready to build on.

If you are buying a property off the plans directly from a builder/developer, check you meet the following criteria

(Please note this does not apply if you are buying an existing/older home or a new home, or land on which you are planning to build.)

- ☐ I am buying a property off the plans, which needs to be built within the projected date for completion as evidenced by a signed copy of the agreement/contract. My solicitor will advise you when settlement is to occur.
- ☐ I will live in the property as my primary place of residence for at least six months from settlement date.
- ☐ The total cost of the completed property is within the house price caps. All regions are based on the Territorial Local Authority boundaries.
The house price caps are:
 - Auckland – **\$550,000**
 - Hamilton City, Tauranga City, Western Bay of Plenty District, Kapiti Coast District, Porirua City, Upper Hutt City, Hutt City, Wellington City, Nelson City, Tasman District, Waimakariri District, Christchurch City, Selwyn District, Queenstown Lakes District – **\$450,000**
 - Rest of New Zealand – **\$350,000**.

Apply to Housing New Zealand

If you meet the conditions of the steps listed on the previous pages, there are two ways to apply, depending on your circumstances. You can either:

1. Apply for a pre-approval if you have not found a house or land to buy, but want to find out if you are eligible before you start house/land hunting. The pre-approval expires after 180 days.
2. Skip that process and apply for the HomeStart grant directly if you have already found a house or land, and have a signed sale and purchase agreement. You can apply for both pre-approval or the HomeStart grant directly on the same application form.

Please note that Housing New Zealand requires at least 4 weeks/20 working days from receiving an application through to paying out the HomeStart grant. Also, please ensure that, if you are applying for the grant in order to meet the financial conditions of your agreement for sale and purchase, you do so at least 10 working days prior to the unconditional date. Applications that do not provide the required four weeks' notice may not be accepted and therefore the HomeStart grant may not be paid out. The HomeStart grant will not be paid out after settlement has occurred.

If you would like an application form or more information:

- Visit www.kiwisaver-homestart.co.nz
- Email kiwisaver.enquiries@hnzc.co.nz
- Call 0508 935 266

What if I have previously owned property?

If you have previously owned property but no longer do so, you may still be eligible for the HomeStart grant. You will need to apply to Housing New Zealand to determine if you are in the same financial position as a typical first-home buyer in terms of realisable assets and income.

To find out more about realisable assets see www.kiwisaver-homestart.co.nz or the brochure Buying your first home with KiwiSaver.



Can I apply if I have not yet bought a property?

If you have not yet found a home to buy, but want to know if you are eligible for a HomeStart grant or not, you can apply to Housing New Zealand for a HomeStart grant pre-approval. A pre-approval is valid for 180 days and means once you find a property to buy, all you need to do is submit a copy of your signed agreement for sale and purchase no later than 10 working days before the settlement date.

How the KiwiSaver first-home withdrawal works

If you have been a member of KiwiSaver for at least three years, you may be able to withdraw your savings to put towards buying your first home. From 1 April 2015, all Government contributions, except the \$1,000 kick start when you first joined, can be paid out for the first-home withdrawal.

You must intend to live in the property. It cannot be used to buy an investment property.

If you are a member of a complying fund (that is, a non-KiwiSaver superannuation fund), you may be able to withdraw your savings to help you buy your first home.

Contact your fund's trustees to find out if this is possible.

How do I apply?

If you are a first-home buyer, simply contact your KiwiSaver provider or complying fund provider to apply.

If you are a previous home owner you will first need to apply to Housing New Zealand to determine whether you are in the same financial position as a first time home buyer.

If you are, then you should next apply through your scheme provider. You can use the same form as for the HomeStart grant – just tick the box for first-home withdrawal.



How John and Sarah bought a house with KiwiSaver

John and Sarah earned a combined income of \$110,000 in the last year and have put in an offer on an existing home in Auckland for \$430,000. As they have been paying rent in Auckland, they have only managed to save a \$50,000 deposit.

Their bank has advised it will lend them \$344,000.

John has been a member of KiwiSaver since July 2007, when it was first launched, and has contributed the minimum percentage of his salary/wages each year. Sarah, has been a KiwiSaver member since August 2009.

Both John and Sarah submitted applications to Housing New Zealand for the HomeStart grant and have been approved for \$5,000 and \$5,000 respectively. They have also made applications to their KiwiSaver scheme providers to withdraw their contributions to help with their first home. They are able to withdraw a combined total of \$26,000 from their KiwiSaver accounts.

HOUSE PURCHASE PRICE	MINIMUM DEPOSIT REQUIRED BY LENDER	DEPOSIT COMPONENTS	DEPOSIT PROVIDED BY CLIENT	BANK LOAN
\$430,000	\$86,000 (20%)	Saved deposit \$50,000 KiwiSaver HomeStart grants \$10,000 KiwiSaver first-home withdrawal \$26,000	\$86,000 (20%)	\$344,000 (80% LVR)



How do I find out more about the HomeStart grant?

If you would like an application form or more information:

- Visit www.kiwisaver-homestart.co.nz
- Read "Buying your first home with KiwiSaver" available from www.kiwisaver-homestart.co.nz or from your KiwiSaver provider
- Email kiwisaver.enquiries@hnzc.co.nz
- Call 0508 935 266

How Craig and Tracey bought a house with KiwiSaver

Craig and Tracey have bought a new home off the plan in the Wellington suburb of Timberlea.

The house will be built in the next 6 months and will cost them \$350,000. In the last year Craig earned \$85,000 and Tracey, who works part-time, earned \$35,000.

They have a \$35,000 deposit saved, but this alone is insufficient to secure a loan to buy their home.

Craig joined KiwiSaver in March 2008 and has regularly contributed the minimum percentage of his income to his KiwiSaver account. Tracey has been contributing to KiwiSaver for 3 years.

HOUSE PURCHASE PRICE	MINIMUM DEPOSIT REQUIRED BY LENDER	DEPOSIT COMPONENTS	TOTAL DEPOSIT	BANK LOAN
\$350,000	\$70,000 (20%)	Saved deposit \$35,000	\$74,000 (21%)	\$276,000 (79% LVR)
		KiwiSaver HomeStart grant \$16,000		
		KiwiSaver first-home withdrawal \$23,000		

Generally a mortgage lender would need clients to provide a deposit that totalled 20 percent of the purchase price. In this case, this would be \$70,000.

Craig and Tracey have a KiwiSaver HomeStart grant pre-approval for \$16,000 and has \$23,000 KiwiSaver contributions they can withdraw to help with the purchase of a first home.



KIWI SAVER



How do I find out more about the first-home withdrawal?

Apply to your KiwiSaver provider or complying fund.



How Welcome Home Loans work?

Welcome Home Loans make it easier for you to get into your first home. Instead of requiring a 20 percent deposit like many loans, a Welcome Home Loan only requires you to have a 10 percent deposit.

Welcome Home Loans are offered by selected banks and credit unions and designed for first home buyers who can afford to make regular repayments on a home loan, but have trouble saving for a larger deposit.

Am I eligible for a Welcome Home Loan?

To be eligible for a Welcome Home Loan, check you meet the following standard criteria. You will also need to meet the specific lending criteria of participating lenders

- ☐ I am a New Zealand citizen or Permanent New Zealand resident (holding a 'Permanent Resident Visa').
- ☐ I have a 10 percent deposit or more of the purchase price. The deposit can be gifted by a relative. Two or more borrowers can also team up to purchase a home, making it easier for extended families to own a home.
- ☐ The house I want to buy is within the maximum house price cap for that region. The house price caps are:
 - Auckland – **\$550,000**
 - Hamilton City, Tauranga City, Western Bay of Plenty District, Kapiti Coast District, Porirua City, Upper Hutt City, Hutt City, Wellington City, Nelson City, Tasman District, Waimakariri District, Christchurch City, Selwyn District, Queenstown Lakes District – **\$450,000**
 - Rest of New Zealand – **\$350,000**.
- ☐ I am the sole borrower and I have earned a household yearly income of \$80,000 or less (before tax) in the last 12 months

OR

- ☐ I am buying a home with another borrower (or several borrowers) and we have a combined household yearly income of \$120,000 or less (before tax) in the last 12 months
- ☐ I am buying the property to live in (Note Welcome Home Loans are not available to fund the purchase of rental properties)
- ☐ I do not own any other property.

Some participating lenders allow you to build a new house with a Welcome Home Loan. Please ask your preferred lender if they do.

Note that you will have to pay a 1 percent mortgage insurance premium and may need to pay an application fee. In most cases these fees can be built into the home loan. Talk to your participating lender to see what fees apply.

How Ben and Toni bought their first home in Christchurch using a Welcome Loan and KiwiSaver

Ben and Toni have an offer to buy their first home accepted as long as they meet the conditions set out in the sale and purchase agreement. The property they're interested in is a \$400,000 existing home in Hoon Hay, Christchurch. They have not been able to save a deposit, but have been KiwiSaver members since it started in July 2007. In the last 12 months, they have earned a combined income of \$100,000.

Both Ben and Toni have applications for the KiwiSaver HomeStart grant pre-approved and are eligible for \$5,000 each to help with the purchase of their first home. They are also both eligible to withdraw all contributions including member's tax credits (with the exception of the Government's

\$1,000 kick-start). Together they can withdraw \$35,000.

Banks have advised they will need a deposit of between 15 and 20 percent of the purchase price (\$61,500 – \$82,000), which they don't currently have. After looking through the Welcome Home Loan website, they saw it may be possible to get a loan with only a 10 percent deposit so applied to a Welcome Home Loan lender and showed that with all of the KiwiSaver HomeStart grant and first-home withdrawal, they had \$45,000 to put towards the purchase. As this totalled nearly 11.25 percent and because they met the other lending criteria, they were awarded a Welcome Home Loan of \$355,000.

HOUSE PURCHASE PRICE	DEPOSIT AMOUNT	DEPOSIT AVAILABLE	WELCOME HOME LOAN
\$400,000	\$45,000 (\$35,000 + \$5,000 + \$5,000)	11.25%	\$355,000 (88.75% LVR)



What are the next steps?

If you think you may be eligible for a Welcome Home Loan, and you would like to take the next step, visit the Welcome Home Loan website to read more about the loan. Then contact

a participating lender – refer to the website or the table below. Each lender has their own credit criteria you will need to meet along with the standard Welcome Home Loan eligibility criteria.

WELCOME HOME LOAN LENDERS	PHONE NO	WEBSITE
NZCU Baywide	0800 229 9433	www.nzcubaywide.co.nz
Heartland	0800 227 227	www.heartland.co.nz
Fletcher Challenge Employees Credit Union	09 579 0448	www.fpfcu.co.nz
Kiwibank	0800 272 278	www.kiwibank.co.nz
Nelson Building Society	0800 101 700	www.nbs.co.nz
Southland Building Society	0800 502 442	www.sbs.net.nz
TSB Bank	0800 231 232	www.tsbbank.co.nz
Westpac	0800 177 277	www.westpac.co.nz
The Co-operative Bank	0800 554 554	www.co-operativebank.co.nz

How Rawiri bought his first home with a Welcome Home Loan and KiwiSaver

Rawiri is looking at buying his first home. Since graduating from university just over a year ago, he has been employed in a local office in Hastings and has earned \$60,000 in the last 12 months.

On the advice from his parents, he joined KiwiSaver in 2007 and has contributed the minimum percentage of his earnings towards KiwiSaver from his part-time jobs. He also contributed towards KiwiSaver from the Study Link finance he received while at university.

Rawiri is looking at buying a home for around \$200,000. His parents are gifting him a sum of \$10,000 and they have this confirmed by a gifting certificate. He has applied for a KiwiSaver HomeStart grant pre-approval and has been confirmed that he is eligible, providing he buys a home for \$300,000 or less.

As most of his contributions have been from part-time work or Study Link, only around \$7,000 can be withdrawn from his KiwiSaver account. He has spoken to a Welcome Home Loan lender about a Welcome Home Loan and has been advised he meets the criteria providing he has a deposit of at least 10 percent of the house purchase price, and that it is within the house price cap for the region.

He asked the Welcome Home Loan mortgage manager if the gift from his parents of \$10,000, a KiwiSaver HomeStart grant pre-approval of \$5,000 and his KiwiSaver first-home withdrawal of \$7,000 would be acceptable as at least a 10 percent deposit on a house of no more than \$200,000. It was and he was advised he could receive a Welcome Home Loan of \$178,000.

HOUSE PURCHASE PRICE	DEPOSIT AMOUNT	DEPOSIT AVAILABLE	WELCOME HOME LOAN
\$200,000	\$22,000 (\$10,000 + \$5,000 + \$7,000)	11%	\$178,000 (89% LVR)

How do I find out more about Welcome Home Loans:

- Call or visit one of the participating lenders as listed above
- Go to: www.welcomhomeloan.co.nz
- Call 0508 935 266



i How do I find out more about home ownership and get help with budgeting and other lending products:

- Download Home Ownership – A guide to buying your own home from www.hnzc.co.nz/kiwisaver
- Visit www.sorted.org.nz and www.familybudgeting.org.nz – for savings and budgeting advice
- Find out about Kainga Whenua loans if you are think you might be eligible to own a home on multiple-owned Maori land or are a Maori land trust. See www.hnzc.co.nz/kainga-whenua.

How do the products compare?

NAME OF INITIATIVE	MINIMUM DEPOSIT	INCOME CAPS (BEFORE TAX)		HOUSE PRICE REGIONS	HOUSE PRICE CAPS	AMOUNT
KiwiSaver HomeStart grant	10%	for 1 buyer, \$80,000 or less earned in the last 12 months for 2 or more buyers, \$120,000 or less earned in the last 12 months		Auckland	\$550,000	The KiwiSaver HomeStart grant provides eligible first-home buyers with a grant of up to \$5,000 for individuals and up to \$10,000 for couples to put towards the purchase of an existing home. In addition, the new KiwiSaver HomeStart grant also provides eligible first-home buyers with up to \$10,000 for individuals and up to \$20,000 for couples to help with the costs of purchasing a brand new home.
				Hamilton City, Tauranga City, Western Bay of Plenty District, Kapiti Coast District, Porirua City, Upper Hutt City, Hutt City, Wellington City, Nelson City, Tasman District, Waimakariri District, Christchurch City, Selwyn District, Queenstown Lakes District	\$450,000	
				Rest of New Zealand	\$350,000	
KiwiSaver first-home withdrawal	N/A	N/A – unless you are a previous home owner, in which case the same income caps as the HomeStart grant apply. You also need to meet the realisable assets test.		N/A	N/A	All contributions including member's tax credits can be withdrawn (with the exception of the Government \$1,000 kick start).
Welcome Home Loan	10%	for 1 borrower, \$80,000 or less earned in the last 12 months for 2 or more borrowers, \$120,000 or less earned in the last 12 months		Auckland	\$550,000	Less or equal to house price cap for that region, less 10% deposit.
				Hamilton City, Tauranga City, Western Bay of Plenty District, Kapiti Coast District, Porirua City, Upper Hutt City, Hutt City, Wellington City, Nelson City, Tasman District, Waimakariri District, Christchurch City, Selwyn District, Queenstown Lakes District	\$450,000	
				Rest of New Zealand	\$350,000	

House price regions house price caps amount

See HomeStart Brochure



Disclaimer

The information contained in this brochure is intended to help you understand the KiwiSaver HomeStart grant, KiwiSaver first-home withdrawal and Welcome Home Loans and is indicative only. It is not intended to address the specific circumstances of any particular individual or entity. All reasonable steps have been taken to ensure the quality and accuracy of the information. The eligibility criteria or other policies applicable to the HomeStart grant, first-home withdrawal or Welcome Home Loan may be changed, deleted, added to or otherwise amended without notice. The information contained in this brochure should not be construed as legal or professional advice and you should take advice from qualified professional people.

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