

Buying your first home with KiwiSaver

KiwiSaver HomeStart grant and KiwiSaver first-home withdrawal



KiwiSaver – helping you into home ownership

KiwiSaver is a voluntary, work-based savings initiative to help you with your long-term saving for retirement. It has a range of membership benefits including contributions from your employer and the Government, as well as help with buying your first home.

KiwiSaver has two features to help you buy your first home: the KiwiSaver HomeStart grant and the KiwiSaver first-home withdrawal.

The KiwiSaver HomeStart grant was introduced on 1 April 2015, replacing the KiwiSaver first-home deposit subsidy.

Like the KiwiSaver first-home deposit subsidy, 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/older home.

In addition, the new KiwiSaver HomeStart grant also provides eligible first-home buyers with a grant of up to \$10,000 for individuals and up to \$20,000 for couples to help with the costs of purchasing a brand new home – see page 2 for more details.

Changes to the KiwiSaver first-home withdrawal were also introduced on 1 April 2015 that mean all contributions including member's tax credits can be withdrawn (with the exception of the Government \$1,000 kick-start) – see page 9 for details.

See the table on page 1 to determine what will be best for you and where to look in this booklet for more information.

The KiwiSaver HomeStart grant is administered by Housing New Zealand. However, the KiwiSaver first-home withdrawal is administered by your KiwiSaver scheme provider.

Housing New Zealand's only role in the first-home withdrawal is to determine the financial position of previous home owners in order to determine their eligibility. If you are buying your first home, you should apply directly to your KiwiSaver scheme provider for the first-home withdrawal. We recommend that, before you apply for a KiwiSaver HomeStart grant or a first-home withdrawal, you re-familiarise yourself with KiwiSaver.

It would be helpful to check what type of scheme you belong to, who your scheme provider is, how long you have been contributing to the scheme and how much you have been contributing. This will help with your application for a HomeStart grant and first-home withdrawal.

Members of complying funds and exempt employer schemes may also be eligible for the HomeStart grant.

You can talk to your employer, check any statements you may have received from your provider, or talk to Inland Revenue on **0800 549 472**.

If you are not a member of KiwiSaver and would like to join, either call **0800 549 472** or visit **www.kiwisaver.govt.nz**

<p>I AM A FIRST-HOME BUYER</p>	<p>I want to apply for the KiwiSaver HomeStart grant or pre-approval of the grant. Apply to Housing New Zealand. See page 7 to find out how.</p>	<p>I want to apply for the first-home withdrawal. You apply through your scheme provider. See page 9 to find out how.</p>
<p>I AM A PREVIOUS HOME OWNER</p>	<p>I want to apply for the KiwiSaver HomeStart grant or pre-approval of the grant. You apply to Housing New Zealand and Housing New Zealand determines if you are in the same position as a first-home buyer. See page 7 to find out how.</p>	<p>I want to apply for the first-home withdrawal. You apply through your scheme provider, but first you need Housing New Zealand to determine if you are in the same position as a first-home buyer. See page 10 to find out how.</p>



KiwiSaver HomeStart grant

How does the HomeStart grant work?

- After three years of regularly contributing to KiwiSaver (of at least the minimum allowable percentage of your total income) you may be entitled to the HomeStart grant.
- You can apply for the HomeStart grant or pre-approval if you have belonged and contributed to a KiwiSaver scheme, complying fund or exempt employer scheme for at least three years.
- 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).
- If you are purchasing land to build a new home on, there is a maximum amount the combined land and new home can cost. There are other eligibility criteria to meet. See pages 3 to 6 for more details.
- A home which received its building code compliance certificate less than six months before Housing New Zealand receives a HomeStart application is considered a new home. The certificate must relate to the home as a whole and not only some building work on the home. Buying a vacant residential section and planning to relocate an existing/older house on the site does not constitute a new build property and will only be eligible for a HomeStart grant of between \$3,000 - \$5,000.
- In cases of properties being bought off the plans, the HomeStart grant may be paid out prior to settlement to assist you with a deposit or progress payment to be paid to developers. In these cases, the grant must be held in trust, in escrow or similar arrangement, with payment to the developer only on settlement.
- Applications should be sent to Housing New Zealand no later than four weeks/ 20 working days before settlement or any earlier required payment date.
- If you are looking for your first home but haven't yet found the right house, you can apply for pre-approval of your HomeStart application.
- If you live in the house you have bought for a minimum of six months from settlement date or if you use the HomeStart grant to purchase land to build a house on, and live in that house for a minimum of six months from the issue of the code compliance certificate for that house, then the HomeStart grant does not need to be paid back. If you move out before the relevant six month period ends, you may be required to pay the HomeStart grant back, with interest.
- You can also buy a property with other people, who may or may not be KiwiSaver members. If they are members, you may all qualify for HomeStart grants. However, no more than \$10,000 worth of grants will be paid for the purchase of an existing/older property and no more than \$20,000 for a new home or for the purchase of land on which a home will be built.
- You can only receive the HomeStart grant or its predecessor, the KiwiSaver deposit subsidy, once.
- We have developed an online calculator to help you estimate the HomeStart grant you could be entitled to. Visit www.kiwisaver-homestart.co.nz/calculator and answer a few simple questions.

How do I 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.

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.

STEP

4

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

I'm a previous home owner – can I still get the HomeStart grant?

If you are a previous home owner but in a similar financial position to a first-home buyer in terms of income and realisable assets, you may still be eligible for the HomeStart grant. Housing New Zealand will determine this.

You will first need to meet the general criteria for the HomeStart grant – these are in steps one to four on pages 3 to 6. If you do qualify, then run through the checklist below – this only applies to previous home owners.

- I have not received the HomeStart grant or the previous KiwiSaver first-home deposit subsidy before.
- I do not have realisable assets totalling more than 20 percent of the house price cap for the area I am buying in. Realisable assets are belongings that you can sell to help buy a home.

The asset caps for each region are:

- Auckland – **\$110,000**
- 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 – **\$90,000**
- Rest of New Zealand – **\$70,000**.

Housing New Zealand considers the following to be realisable assets:

- money in bank accounts (including fixed and term deposits)
- shares, stocks and bonds
- investments in banks or financial institutions
- any money paid to, or held by, the real estate agent or solicitor as a deposit on a home
- boat or caravan (if the value is over \$5,000)
- other vehicles (such as classic motorbikes or cars – not being used as your usual method of transport)
- other assets valued over \$5,000.

How do I apply?

Applying as a previous home owner is the same as for first-home buyers. There is just an extra section on the application form to complete with details of any realisable assets you may have.

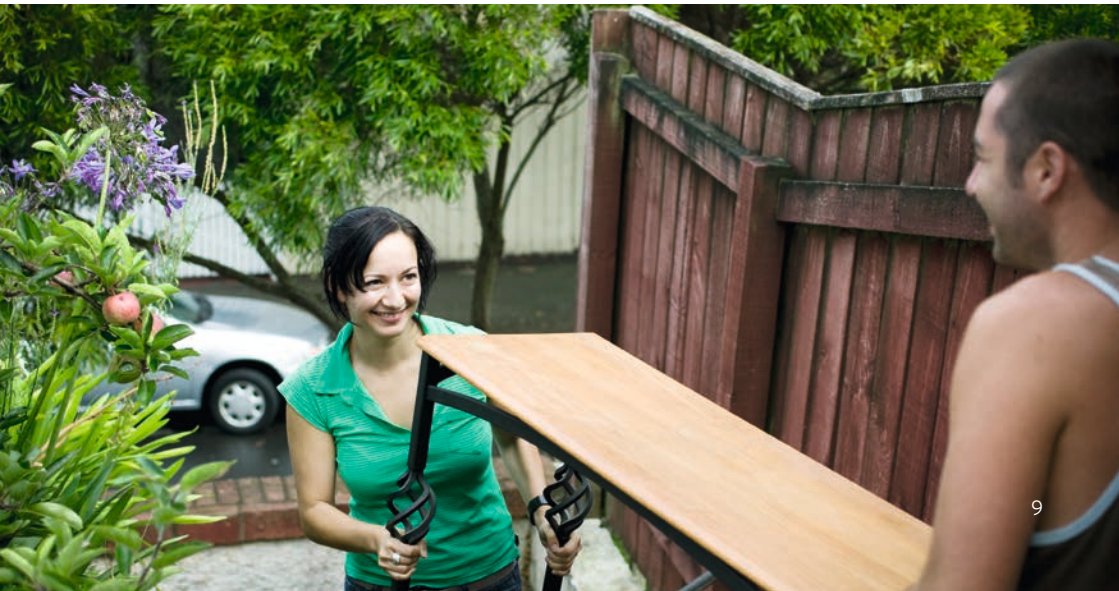
KiwiSaver first-home withdrawal

How does the first-home withdrawal work?

- If you have been a member of KiwiSaver for at least three years, you may be able to withdraw all, or part, of 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, you may be able to withdraw your savings to help you buy your first home. Not all complying funds permit withdrawals for this purpose, so you will need to discuss this with the trustees of your complying fund.

What do I need to do to apply for a first-home withdrawal?

If you are a first-home buyer, please contact your KiwiSaver provider or complying fund provider to apply. If you are a previous home owner, you will still need to apply through your scheme provider; however Housing New Zealand will need to determine whether you meet the eligibility criteria (see page 10).



I'm a previous home owner - can I still get the first-home withdrawal?

As a previous home owner you may still be eligible for a first-home withdrawal. You will still have to apply through your scheme provider. However, first Housing New Zealand needs to determine whether you are eligible as a previous home owner.

Run through the checklist below to see if you qualify:

- I have not received the first-home withdrawal before.
- I have been a member of KiwiSaver for at least three years.
- I have previously owned a home, but no longer have an interest/share in a property.
- I do not have realisable assets totalling more than 20 percent of the house price cap for the area I am buying in. Realisable assets are belongings that you can sell to help buy a home. For example, if you were buying a home in the \$350,000 house price cap area, your realisable assets cannot be worth more than \$70,000. Housing New Zealand considers the following to be realisable assets:
 - money in bank accounts (including fixed and term deposits)
 - shares, stocks and bonds
 - investments in banks or financial institutions

- any money paid to, or held by, the real estate agent or solicitor as a deposit on a home
- boat or caravan (if the value is over \$5,000)
- other vehicles (such as classic motorbikes or cars – not being used as your usual method of transport)
- other assets valued over \$5,000.

- 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.

To get Housing New Zealand to determine whether you are eligible, complete an application form. You can use the same form as the HomeStart grant – just tick the box for the first-home withdrawal.

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

Other home ownership assistance

You may be able to use a Welcome Home Loan with the KiwiSaver home ownership products. To find out more about the Welcome Home Loan, visit www.welcomehomeloan.co.nz where you will find a list of lenders you can call.

You might also be eligible to purchase a Housing New Zealand FirstHome. These are ex-Housing New Zealand properties located in areas where changing demand has resulted in an oversupply of some types of houses.

If you meet the eligibility criteria, you could receive a grant of 10 percent of the purchase price of a FirstHome property – up to a maximum of \$20,000. For more information visit www.hnzc.co.nz or call **0508 935 266**.

You may also be able to use a Kāinga Whenua loan to own a home on multiple-owned Māori land. For more information about Kāinga Whenua loans visit www.hnzc.co.nz or call **0508 935 266**.



Glossary of terms

KiwiSaver HomeStart grant (HomeStart grant)

You need to have been contributing regularly for a minimum of three years in a KiwiSaver scheme, complying fund, or exempt employer scheme to be eligible for 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).

This booklet outlines the conditions you have to meet to be eligible for the HomeStart grant.

KiwiSaver first-home withdrawal

You need to have been in a KiwiSaver scheme or complying fund for a minimum of three years.

The first-home withdrawal allows you to withdraw all, or part, of your savings to put towards buying your first home.

From 1 April 2015 all Government contributions can be paid out in the first-home withdrawal. This does not include the \$1,000 kick-start when you first join.

KiwiSaver scheme

Retirement savings scheme providing members with a \$1,000 kick-start and annual member tax credits from the Government.

Members choose to pay 3 percent, 4 percent or 8 percent of their salary or wages and the employer is required to pay 3 percent.

Complying fund

A registered employer-sponsored superannuation fund which allows members to choose to lock a specified percentage of their salary into an account which can only be accessed on the same terms as for a KiwiSaver scheme. The member may also continue to contribute to an unlocked account. They do not get a \$1,000 kick-start contribution from the Government when they sign up. Not all complying funds permit withdrawals for the purpose of buying your first home. So you will need to discuss this with the trustees of your complying fund.

Exempt employer scheme

An employer-sponsored superannuation scheme which does not require a member to lock in any member contributions as required by KiwiSaver schemes but does provide members with access to the HomeStart grant. New employees will be offered this scheme instead of KiwiSaver when they join the employer. They do not get the Government \$1,000 kick-start contribution or annual member tax credits.

First-home buyer

First-home buyer is an individual who has not owned a house or land before either in New Zealand or overseas.

Previous home owner

An individual who has previously owned a house/land either in New Zealand or overseas. They may be eligible for the HomeStart grant and first-home withdrawal if they meet certain conditions regarding their ownership of assets and their level of income.

Minimum contributions

A minimum contribution is the lowest percentage of your income that you can contribute to your KiwiSaver account and qualify for the HomeStart grant.

From 1 July 2007 to 31 March 2009 the minimum contribution was 4 percent of your income, 4 percent of minimum wage for non-earners or 4 percent of your yearly benefit for beneficiaries. From 1 April 2009 the minimum contribution was reduced to 2 percent of your income, 2 percent of minimum wage for non-earners or 2 percent of your yearly benefit for beneficiaries. 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. The contribution periods may change. For example, you may have been a paid employee for one year, and then self-employed for two years. This is acceptable as long as you were contributing the minimum contribution during both those periods, and they both add up to at least three years. This three-year period can be longer than a calendar period, but must add up to three years.

Fee simple title

Owners of the land are entitled to unrestricted use of the land and may dispose of the land in any way they wish (subject to the relevant laws).

Stratum estate (freehold and leasehold) title

Common type of ownership for apartments. Common areas (such as foyers, lifts and corridors) are owned collectively, with each apartment or unit owned exclusively.

Cross-lease (freehold and leasehold) title

Ownership of the land is shared and each owner leases their house from the other landowners. The cross-lease agreement outlines the rights and obligations of each owner.

Leasehold land title

The owner of the land with a fee simple title enters into a legal agreement (lease) to transfer the right to use the land to another person for a certain amount of time. The lease will detail the conditions including payment of rent to the landowner and the lease should be registered against the land title.

Multiple-owned Māori land

Multiple-owned Māori land subject to Te Ture Whenua Māori Act 1993 where the purchaser of the home has a right to occupy the land.

Pre-approval

Pre-approval happens if you have not found a house or land to build on, but want to find out if you are eligible before you start house/land hunting. Pre-approval is valid for 180 days. If you do not find a home or land to buy before the pre-approval expires, you will need to complete a new application on expiry.

Realisable assets

Realisable assets are belongings that you can sell to help buy a house. This can include savings, shares, land, boats and motor vehicles. See pages 8 and 10 for a list of items that Housing New Zealand considers to be realisable assets and that can affect an application from a previous home owner.

Code compliance certificate

A code compliance certificate is a certificate under the Building Act that shows that building work has been completed in accordance with an application for a building consent – you have built what you have said you would build.



To find out more about buying
your first home with KiwiSaver,
visit www.kiwisaver-homestart.co.nz
email kiwisaver.enquiries@hnzc.co.nz
or call **0508 935 266**.

New Zealand Government

The information contained in this brochure is intended to help you understand the KiwiSaver HomeStart grant and KiwiSaver first-home withdrawal 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 or first-home withdrawal 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.