

Buying a home with KiwiSaver

1 April 2015

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Buying a home with KiwiSaver

KiwiSaver offers two features to help you buy a home:

1. KiwiSaver HomeStart grant.
2. KiwiSaver first home withdrawal.

You can use one or both of these features to:

- Buy a home
- Buy land to build a home on.

Housing New Zealand administers the **HomeStart grant**. Your KiwiSaver scheme provider administers the **KiwiSaver first home withdrawal**.

The money from both the HomeStart grant and the KiwiSaver first home withdrawal will only be paid directly to your solicitor. Housing New Zealand will pay the HomeStart grant on the day your property settlement takes place, if you are buying an existing/older property. However, if you are buying a property off then plans directly from a developer and have not already done so, Housing New Zealand can pay the HomeStart grant to support the first payment required under the agreement, or pay it towards progress payments. Your KiwiSaver scheme provider can advise when they will pay a withdrawal from your KiwiSaver savings (either once your purchase goes unconditional or on the day your property settlement takes place).

Planning how much money you will have to complete your home purchase should be a critical step in your home buying process.

Just like getting a mortgage pre-approval from your bank, you can also get a HomeStart grant pre-approval from Housing New Zealand, and a KiwiSaver first home withdrawal pre-approval from your KiwiSaver scheme provider. These documents will be useful when you talk with your mortgage broker or banker.

You can buy a home with KiwiSaver in two circumstances:

- as a first home buyer
- as a home buyer who has previously owned property.

Buying your first home with KiwiSaver as a first home buyer

Step 1: Talk to your bank or an authorised financial adviser, who can help you with any mortgage decisions.

Step 2: Find your home to take your first step onto the property ladder.

Step 3: Find a solicitor to help you through all the legal ins and outs of buying your first home. Let your solicitor know you have KiwiSaver funds you may be able to use towards your first home. You might find it helpful giving a copy of this guide to your solicitor. Keep in mind that Housing New Zealand requires at least four weeks from submitting an application through to paying out the HomeStart grant.

Step 4: **Check whether you are eligible for help buying a home**

For a KiwiSaver HomeStart grant:

- I am 18 years or older
- I am a member of a KiwiSaver scheme, complying scheme or exempt employer scheme
- I do not currently own land or property
- I have not received a HomeStart grant or a KiwiSaver deposit subsidy before
- 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 Maori land subject to Te Ture Whenua Maori Act 1993

(for more information on these property types; see our FAQs and definitions in this guide, or talk to your solicitor)

- I have contributed at least the minimum percentage of my income to a KiwiSaver scheme, complying fund or exempt employer scheme for at least three years (does not need to be consecutive). From 1 July 2007 to 31 March 2009 the minimum contribution was 4% of your income, 4% of minimum wage for non-earners or 4% of your yearly benefit for beneficiaries. From 1 April 2009 to 31 March 2013 the minimum contribution was 2% of your income, 2% of minimum wage for non-earners or 2% of your yearly benefit for beneficiaries. From 1 April 2013 the minimum contribution was increased to 3% of your income, 3% of minimum wage for non-earners or 3% of your yearly benefit for beneficiaries
- I have earned an income of \$80,000 or less (before tax) in the last 12 months, or for two or more buyers, we 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 as a KiwiSaver first home withdrawal (if you are eligible), the HomeStart grant or HomeStart grant amount you may be eligible for and any other funds, such as savings, fixed and term deposits or funds already paid to a real estate agent.

Additional criteria for the HomeStart grant:

- to qualify for a HomeStart grant you must buy a house within the maximum house price caps. The house price caps are **\$550,000** for Auckland City, **\$450,000** for Wellington City and Queenstown Lakes District, Christchurch City and Selwyn District, Thames/Coromandel, Tauranga City, Western Bay of Plenty, Hamilton City, Kapiti Coast, Porirua City, Hutt City, Upper Hutt, Tasman/Nelson and Waimakariri and **\$350,000** for all other areas
- you must live in the property (if you don't, you have to pay the HomeStart grant back)
- you cannot use the HomeStart grant (or the KiwiSaver first home withdrawal) to buy an investment property
- if you are buying land, a new house must be built within the stipulated timeframes stated in the building contract you have signed. You will need to supply a code compliance certificate to show that this has been done
- If you are purchasing a property off the plans, the new dwelling must be built within the stipulated timeframes stated in the agreement you have entered into. Your solicitor will need to supply a code compliance certificate to show that this has been done.

For a KiwiSaver first home withdrawal:

- I've been a KiwiSaver member for at least three years, or Inland Revenue received a contribution to a KiwiSaver scheme for me at least three years ago
- I intend to live mostly in the home I'm buying
- I've never before owned my own property (other than a leasehold estate)
- I've never before made a withdrawal to buy a first home.

Step 5: Apply to Housing New Zealand for a KiwiSaver HomeStart grant

You can apply for the HomeStart grant if you have belonged and contributed to a KiwiSaver scheme, complying fund or exempt employer scheme for at least three years.

Existing home:

The subsidy 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)

New home:

The subsidy 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)

You can buy a property with other people who may also qualify for a HomeStart grant. However, please note that maximum grant amounts have been put in place, regardless of how many eligible members are purchasing a single dwelling. When purchasing an older/existing home, the maximum value of grants paid out will be \$10,000. For new properties, the maximum value is \$20,000.

You may only receive the HomeStart grant once, and it is paid directly to your solicitor, on settlement day, if buying an older/existing property. For the purchase of properties off the plans, the grant can be paid towards the first payment required under the agreement entered into, or towards progress payments

There are two ways to apply, depending on your circumstances.

1. Apply for a **pre-approval** 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.
It normally takes 10 working days to approve or pre-approve an application for the HomeStart grant however the pre-approval expires after 180 days. On the application form, tick the pre-approval option. Return the application form to Housing New Zealand with the required documents (see our FAQs for these documents) and they will check your eligibility.
2. Skip that process and apply for the **HomeStart grant** directly if you already have found a house or land, and have a sale and purchase agreement. After your application is approved, documents are issued to your solicitor to be signed by you and your solicitor and then returned to Housing New Zealand. Please note that Housing New Zealand requires at least four weeks from submitting an application through to paying out the HomeStart grant to your solicitor on settlement/payment date.

3. **Note** - Housing New Zealand can't pay your HomeStart grant to your solicitor after your settlement date.

Application forms are available for download from the Housing New Zealand web site:

- <http://www.hnzc.co.nz/buying-a-house/KiwiSaver-helping-you-into-home-ownership/kiwisaver-homestart-grant/application-process>

Or contact Housing New Zealand:

- Call **0508 935 266**
- Email kiwisaver.homestart@hnzc.co.nz

Use the checklist in the application form to ensure you have all the correct information to accompany your application. It will normally take 10 working days for Housing New Zealand to assess an application for the HomeStart grant, providing you include all the required supporting documents.

Step 6: Apply to your KiwiSaver scheme provider for a first home withdrawal

You may qualify for a KiwiSaver first home withdrawal, even if you do not qualify for a HomeStart grant.

You can also buy a property with other people who may also qualify for a KiwiSaver first home withdrawal.

Once you've been a KiwiSaver member for three years, you may be able to withdraw the total amount in your KiwiSaver account (including Member Tax Credits, but excluding the Government's kickstart contribution) and any amount transferred from an Australian complying superannuation fund.

If you are a member of a complying fund, you **may** be able to withdraw your savings to help buy your first home. Not all complying superannuation funds permit withdrawals for this purpose, so you will need to discuss with the complying fund you belong to.

There are two ways to apply, depending on your KiwiSaver scheme provider.

1. Apply for a **pre-approval** 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.
It may take up to 7 working days to pre-approve an application for the KiwiSaver first home withdrawal. Contact your KiwiSaver scheme provider to see what they require from you.
2. Skip that process and apply for the **KiwiSaver first home withdrawal** directly if you already have found a house or land, and have a sale and purchase agreement. Contact your KiwiSaver scheme provider for an application form and to see what you may need to provide in addition to your solicitors letter of undertaking and a copy of your sale and purchase agreement which must be in your own name. If your application is approved your funds will be paid directly to your solicitor.
3. **Note** – Your KiwiSaver scheme provider can't pay your first **home withdrawal proceeds** to your solicitor after your settlement date.

For more information, read our FAQs (pages 9 – 21)

1. General questions
2. KiwiSaver first home withdrawal
3. KiwiSaver HomeStart grant
4. Who can apply for the HomeStart grant

5. Application for the HomeStart grant
6. Payment of the HomeStart grant and KiwiSaver first home withdrawal
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Buying a home with KiwiSaver (as a previous property owner)



The role of Housing New Zealand

Housing New Zealand determines whether you are deemed to be in the same financial position as a first home buyer, in terms of income and assets, which will help you qualify as a previous home owner and also administers the HomeStart grant. Your KiwiSaver scheme provider administers the KiwiSaver first home withdrawal if Housing New Zealand determines your financial position.

To qualify for the HomeStart grant or KiwiSaver first home withdrawal, Housing New Zealand will need to determine (where you are a previous property owner, but no longer have a share in a property) **that you are in the same financial position as a first home buyer.**

Step 1: Talk to your bank or an authorised financial adviser, who can help you with any mortgage decisions.

Step 2: Find your home to take a step onto the property ladder.

Step 3: Find a solicitor to help you through all the legal ins and outs of buying your home. Let your solicitor know you have KiwiSaver funds you may be able to use towards your first home. You might find it helpful giving a copy of this guide to your solicitor. Keep in mind that Housing New Zealand requires at least four weeks from submitting an application through to paying out the HomeStart grant.

Step 4: Check whether you are eligible for help buying a home

For a KiwiSaver HomeStart grant:

The criteria are the same as for a first home buyer **plus** Housing New Zealand must also determine that you are in the same financial position as a first home buyer, in terms of income and assets.

To be in the same financial position as a first home buyer you can't have realisable assets totalling more than 20 percent of the house price cap for the area you are buying in. You also must not have previously received a deposit subsidy or HomeStart grant.

Realisable assets are belongings that you can sell to help buy a house. For example if you were buying a house in the \$450,000 cap area, your realisable assets cannot be worth more than \$90,000. 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
- Building society shares
- 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
- Money already paid to a real estate agent.

For a KiwiSaver first home withdrawal:

- I've been a KiwiSaver member for at least three years, or Inland Revenue received a contribution to a KiwiSaver scheme for me at least three years ago
- I intend to live mostly in the home I'm buying
- I've never before made a withdrawal to buy a first home
- As a previous home owner, I do not have realisable assets totaling 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 house. For example if you were buying a house in the \$450,000 cap area, your realisable assets cannot be worth more than \$90,000. 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
 - Building society shares
 - 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
 - Money already paid to a real estate agent.
- I meet the income cap criteria that is used for the assessment of the KiwiSaver HomeStart grant. That is:
 - I am a sole buyer of a property and have earned \$80,000 or less (before tax) in the last 12 months, OR
 - I am buying a home with at least one other purchaser, and the combined income for all named purchasers, earned in the last 12 months is \$120,000 or less (before tax)

Step 5: Apply to Housing New Zealand for a KiwiSaver HomeStart grant

Applying as a previous home owner is the same as for first home buyers. There is an extra section on the application form to detail any realisable assets you may have.

If you want to see if you qualify for a KiwiSaver first home withdrawal as a previous property owner you can complete steps 5 and 6 (below) at the same time on the same application form.

Application forms are available for download from the Housing New Zealand web site:

- <http://www.hnzc.co.nz/buying-a-house/KiwiSaver-helping-you-into-home-ownership/kiwisaver-homestart-grant/application-process>

Or contact Housing New Zealand:

- Call **0508 935 266**
- Email kiwisaver.homestart@hnzc.co.nz

Use the checklist in the application form to ensure you have all the correct information to accompany your application. It will normally take 10 working days for Housing New Zealand to assess an application for the HomeStart grant, providing you include all the required supporting documents.

Step 6: Apply to Housing New Zealand to see if you qualify as a previous home owner for a KiwiSaver first home withdrawal

For Housing New Zealand to determine your financial position to assist your eligibility for a KiwiSaver first home withdrawal you will need to complete the KiwiSaver HomeStart grant pre-approval/approval application form (this form is the same as the form for applying for a KiwiSaver HomeStart grant).

Application forms are available for download from the Housing New Zealand web site:

- <http://www.hnzc.co.nz/buying-a-house/KiwiSaver-helping-you-into-home-ownership/kiwisaver-homestart-grant/application-process>

Or contact Housing New Zealand:

- Call **0508 935 266**
- Email kiwisaver.homestart@hnzc.co.nz

Step 7: If Housing New Zealand determine you are in the same financial position as a first home buyer, apply to your KiwiSaver scheme provider for the first home withdrawal

Follow the same process as a first home buyer. In addition to the first home buyer requirements, you will also need to give your KiwiSaver scheme provider the confirmation letter from Housing New Zealand confirming you qualify for a first home withdrawal.

For more information, read our FAQs (pages 9 -21)

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6. Payment of the HomeStart grant and KiwiSaver first home withdrawal
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9. I need to tell my real estate agent, solicitor or mortgage agent/banker what?

Buying a home with KiwiSaver – Frequently asked questions

1. General questions

Q: Can I apply for both the HomeStart grant and KiwiSaver first home withdrawal at the same time?

A: Yes, you can. You need to apply to Housing New Zealand for the HomeStart grant and your KiwiSaver scheme provider for the first home withdrawal.

Q: I am also applying for a KiwiSaver first home withdrawal from my KiwiSaver scheme provider – how does that affect my HomeStart grant application?

A: A first home withdrawal and the HomeStart grant are independent features of KiwiSaver. You can apply for either one or both.

Q: What type of property and land are eligible for the HomeStart grant?

A: There are five types of property and land ownership arrangements the HomeStart grant can be used for. They are:

Type of land (estate in land)	Description
Fee simple	Owners are entitled to unrestricted use of the land and may dispose of the land in any way they wish (subject to any relevant laws).
Stratum estate freehold and leasehold	Common type of ownership for apartments where an undivided portion of a larger property is owned collectively and a smaller portion (the unit) is owned exclusively.
Cross-lease (freehold and leasehold)	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	The owner of the land with a fee simple title (see above definition) enters into a legal agreement (lease) to transfer the right to occupy/use the land to another legal entity for a specific period of time. The lease usually outlines a number of conditions, including the payment of ground rent to the landowner and the lease may be registered against the land title.
Multiple owned Maori land	Multiple owned Maori land subject to Te Ture Whenua Maori Act 1993 where the property purchaser has a licence to occupy, granted to them by the owners of the land, and this gives them the right to occupy the land

Q: Am I allowed to use the HomeStart grant with a Welcome Home loan?

A: Eligibility for the HomeStart grant and the Welcome Home loan are assessed independently. Eligibility for one doesn't affect the other and you may be eligible for both. You will need to apply for each separately. However, if you are eligible for both, then yes you can use the HomeStart grant with the Welcome Home Loan.

2. KiwiSaver first home withdrawal

Q: What is the KiwiSaver first home withdrawal?

A: If you are 18 or over, and you have been a KiwiSaver member for three years or more, you may be able to withdraw all, or part, of your KiwiSaver account (including Member Tax Credits, but excluding the Government's kickstart contribution), to put towards buying your first home.

In the first instance, please contact your KiwiSaver scheme provider. If you don't know who your KiwiSaver scheme provider is call 0800 KIWISAVER (0800 549 472). It will help to have your IRD number handy.

If you are a member of a complying fund, you **may** be able to withdraw your savings to help buy your first home. Not all complying superannuation funds permit withdrawals for this purpose, so you will need to discuss with the trustees of the complying fund you belong to.

Q: How do I apply for the KiwiSaver first home withdrawal?

A: You need to obtain an application form from your KiwiSaver scheme provider to apply to withdraw your savings to purchase your first or previous home owner home. You will need to complete the application form and submit it to your provider.

In addition, they will also require the following before payment of the withdrawal will be made: -

- a) a copy of an agreement for the sale and purchase of an estate in land under which you are a purchaser; and
- b) a pre-printed bank deposit slip for your solicitor's trust account; and
- c) an undertaking from your solicitor to the effect that the agreement has gone unconditional; and
- d) an undertaking from your solicitor that the funds will be paid to the vendor as part of the purchase price (or, if the sale does not settle an undertaking that the funds will be repaid to your account in your KiwiSaver Scheme).
- e) confirmation from Housing New Zealand that you qualify as a previous home owner buyer (if applicable).

Q: When should I apply to my KiwiSaver scheme provider to withdraw my savings?

A: **As soon as possible.** You can apply in the early stages, even before you start looking for a home. This will give you confirmation you are eligible for a withdrawal along with a rough indication of how much you can withdraw. **Once your sale and purchase agreement is unconditional**, your KiwiSaver provider will be able to pay your KiwiSaver savings to your solicitor (subject to receiving the required confirmations from your solicitor). Your solicitor can then hold the funds in an interest bearing account for use on settlement date. We recommend your solicitor provides your KiwiSaver provider with the required confirmations at least 5 working days before the settlement date. KiwiSaver first (and previous home owner) home withdrawals cannot be made after the settlement date.

Q: Is Housing New Zealand involved in me applying for the KiwiSaver first home withdrawal?

A: Housing New Zealand is only involved with the KiwiSaver first home withdrawal if you have previously owned a home. In these cases, Housing New Zealand will determine if you are in the same financial position as a first time home buyer. If so, they will provide you with confirmation

that you qualify as a previous home owner so you can send this to your KiwiSaver scheme provider with your withdrawal application form.

3. KiwiSaver HomeStart grant

Q: Who can apply for the HomeStart grant?

A: You can apply for the HomeStart grant if you have belonged and contributed to a KiwiSaver scheme, complying fund or exempt employer scheme for at least three years.

Existing home:

The subsidy 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)

New home:

The subsidy 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)

Q: What can the KiwiSaver HomeStart grant be used for?

A: The HomeStart grant can help you buy an older/existing home, land to build a house on, or buy a property off the plans. It can't be used to purchase investment properties.

Q: Do the KiwiSaver contribution years need to be consecutive?

A: No, you don't need to make consecutive contributions. So, if you take a six month contributions holiday, you will be eligible after three and a half years (the length of your holiday is added to the minimum three years of contributions.)

Q: Can I use the HomeStart grant to buy a house with other people?

A: Yes, individuals who are eligible can combine grants towards a joint purchase. Buying a house with someone who is not eligible for the HomeStart grant will not affect your eligibility, unless combined incomes exceed the income caps. Please note that there are maximum grant amounts payable for a single dwelling from 1 April 2015. These amounts are \$10,000 for the purchase of an older/existing property and \$20,000 for a brand new property, regardless of the number of eligible KiwiSaver members buying the property together.

Q: Can I use the HomeStart grant to buy land?

A: Yes. In such cases, the grant is payable towards the purchase of the land and not towards the building costs once you own the land. Therefore, with the application for the grant, you will

require a signed copy of an agreement for sale and purchase for the land and a signed copy of a fixed price building contract, as well as the standard supporting documents. Please note you have to have the construction completed as stipulated on the building contract and to immediately provide Housing New Zealand with a copy of the code compliance certificate once it is issued. The cost of building the house plus the cost of the land must not exceed the relevant regional house price cap.

On completion of the construction and the issuing of the code compliance certificate, you will have to live in the house for at least six months.

Q: Can I use the HomeStart grant to buy a property off the plans?

A: Yes, however when purchasing an apartment off the plans, the new property must be built within the stipulated timeframes for completion as identified in the contract you enter into. Your solicitor will need to provide a copy of the code compliance certificate to Housing New Zealand immediately after it has been issued.

The property cost must not exceed the relevant regional house price cap, and you will have to live in the property for at least six months from the settlement date.

Q: Can I use the HomeStart grant to build on Māori land?

A: Yes, providing the land is subject to Te Ture Whenua Maori Act 1993 where the property purchaser has a licence to occupy, granted to them by the owners of the land, and this gives them the right to occupy the land

Q: Can I use the HomeStart grant to buy an apartment?

A: Yes, but you have to live in it for at least six months from settlement.

Q: Can I use the HomeStart grant to buy a company share property?

A: No, you cannot use the HomeStart grant to buy a company share property, as this is a share in a company, not a share in land.

Q: Can my partner and I combine our home HomeStart grants to buy a house?

A: Yes you can. Please note that there are maximum grant amounts payable for a single dwelling from 1 April 2015. These amounts are \$10,000 for the purchase of an older/existing property and \$20,000 for a brand new property, regardless of the number of eligible KiwiSaver members buying the property together

4. Who can apply for the HomeStart grant

Q: I am self-employed and I plan to join KiwiSaver. Can I get the HomeStart grant?

A: If you are self-employed, you will qualify for the HomeStart grant, provided you make at least one contribution annually of at least the minimum percentage of your income over the qualifying period (3, 4 or 5 years) and meet all the other eligibility criteria. From 1 July 2007 to 31 March 2009 the minimum contribution was 4% of income. From 1 April 2009 to 31 March 2013 the minimum contribution was 2%. From 1 April 2013 the minimum contribution was increased to 3%.

Q: I am not currently employed, but I plan to join KiwiSaver and will put money in when I can. Can I still get the HomeStart grant to buy a house?

A: You may qualify for the HomeStart grant if you make an annual contribution that is at least the minimum percentage of the adult minimum wage (currently \$550 a week), over the qualifying period (3, 4 or 5 years) and meet all other eligibility criteria.

From 1 July 2007 to 31 March 2009 the minimum contribution was 4% of the minimum wage. From 1 April 2009 to 31 March 2013 the minimum contribution was 2%. From 1 April 2013 the minimum contribution was increased to 3% of the adult minimum wage (based on 40 hours per week).

Q: I am a beneficiary, am I eligible for the HomeStart grant?

A: You may qualify for the HomeStart grant if you make an annual contribution that is at least the minimum percentage of your gross benefit and meet all the other eligibility criteria. From 1 July 2007 to 31 March 2009 the minimum contribution was 4% of the minimum wage. From 1 April 2009 to 31 March 2013 the minimum contribution was 2%. From 1 April 2013 the minimum contribution was increased to 3% of your yearly benefit.

Q: I work part-time for a couple of different employers. I have joined KiwiSaver with one of them. Can I still get the HomeStart grant?

A: You will qualify for the HomeStart grant if you have contributed the minimum of your income for three years and meet all the other eligibility criteria. Note: From 1 July 2007 to 31 March 2009 the minimum contribution was 4% of the minimum wage. From 1 April 2009 to 31 March 2013 the minimum contribution was 2%. From 1 April 2013 the minimum contribution was increased to 3%.

You will also need to meet other conditions around income and house price.

You may choose to contribute through only one employer; however, you must ensure that you contribute the minimum percentage of your **total income** for the relevant period. For example, if you earn \$100 a week on one job and \$300 a week from another job (or source of income), you need to save \$12 a week (which is three percent of \$400) to qualify for the HomeStart grant.

Q: I am a KiwiSaver member and full time homemaker. Am I eligible for the HomeStart grant?

A: Yes, if you contributed to your KiwiSaver scheme and your contributions are at least the minimum percentage of the adult minimum wage annually over the qualifying (3, 4 or 5 year) period (and meet all other eligibility criteria). From 1 July 2007 to 31 March 2009 the minimum contribution was 4% of the minimum wage. From 1 April 2009 to 31 March 2013 the minimum contribution was 2%. From 1 April 2013 the minimum contribution was increased to 3%.

Q: If I have been saving for three and a half years can I get a \$3,500 subsidy?

A: No - eligibility for the HomeStart grant is based on whole year contributions.

Q: Will I qualify for the HomeStart grant if I have previously owned a home?

A: You need to apply to Housing New Zealand for a determination that your financial position is the same as a first home buyer's in terms of assets, income and liabilities.

For example:

- your income must not exceed the household income caps
- you need to be able to secure a mortgage from a commercial lender
- you must declare your assets, which must amount to no more than 20 percent of the regional house price cap.
- you also must not have previously received a home deposit subsidy or HomeStart grant.

You will also need to meet the other eligibility criteria.

Q: Why are there income caps, and how are they determined?

A: The HomeStart grant is designed to help people on modest incomes into a modestly-priced house rather than for people on higher incomes to buy a more expensive house.

Income caps are determined by the Ministers of Housing and Finance. In determining income caps Ministers will consider market income levels and house prices.

Q: Is there a minimum age for the HomeStart grant?

A: Yes, the HomeStart grant is only available to individuals aged 18 years and above. However, contributions to your KiwiSaver account before you turn 18 will count towards your eligibility for the HomeStart grant as long as they meet the minimum contribution requirements.

Q: Is there a maximum age for the HomeStart grant?

A: No, there is no maximum age limit for HomeStart grant applicants.

Q: I have part ownership of some land in a trust. Am I eligible?

A: It will depend on the nature of the Trust.

If there is no reasonable expectation of you occupying the land personally, it's likely you will still be eligible for the HomeStart grant.

Bare trustees holding estates in land for the benefit of others are not treated as holding the estate for the purposes of assessing their eligibility. Holding land on that basis alone will not prevent you from being eligible to apply for the HomeStart grant. Other types of trusts will be considered on a case by case basis.

As a general rule, where trusts are involved eligibility will be determined based on there being a "reasonable expectation of being entitled to occupy" a property. The HomeStart grant is intended to help people into their first home.

Q: Do my KiwiSaver contributions count if someone else made payments on my behalf?

A: Yes, provided the minimum contribution requirements have been met.

Q: Is the HomeStart grant available for organisations?

A: No - it is an individual application and organisations cannot be KiwiSaver members.

Q: I received a HomeStart grant to buy a house with my partner, we have now broken up and I need to buy another house. Can I get another HomeStart grant?

A: No. You can only get the HomeStart grant once.

5. Application for the HomeStart grant

Q: How do I apply?

A: To apply for the HomeStart grant, or to apply for a pre-approval, download and print out the HomeStart grant application form from www.hnzc.co.nz (search using KiwiSaver). Complete the form and return with the required documents (listed in the application form) to Housing New Zealand.

Q: What do I need to supply with my application?

A: To apply for the HomeStart grant, please include with your application:

1. Proof of earnings for the past 12 months

Proof of earnings is required from the applicant and for all other people purchasing the property.

If employed, you must provide a certificate of earnings from IRD and your two most recent pay slips, clearly showing how much you have earned in the previous 12 months and how long you have been employed.

Income is also considered to be:

- Work and Income benefits - provide evidence from Work & Income
- Overtime and shift allowances
- Second job and casual employment - additional letter and payslips
- ACC payments and private insurance payments, such as income protection - evidence provided by ACC statements

If self-employed, you are required to provide:

- Copies of their personal IR 3 statements covering the period they have contributed to KiwiSaver. This should be supported by copies of Notice of Assessments and Return Acknowledgements from IRD

2. Proof of contribution to your KiwiSaver scheme (or other qualifying scheme)

This can include statement print outs from the "My KiwiSaver" online service www.kiwisaver.govt.nz or payment records from your scheme provider.

3. Identification

Photo copy of passport, drivers licence or birth certificate.

4. Sale and purchase agreement of the house or land you are buying

5. Evidence that you have a deposit that is equal to or greater than 10 percent of the property purchase price

If applying for a pre-approval, points 4 and 5 will not apply.

Q: Can I apply for the HomeStart grant and then find a house to buy or some land to build a home?

A: You can apply for pre-approval if you are considering using the HomeStart grant to buy a house or land to build on and want to confirm your eligibility before you start house hunting. Housing New Zealand will confirm whether your application is successful. Simply complete the application form, ticking the pre-approval option. Then return with the required documents to Housing New Zealand and they will check your eligibility.

Q: What information do I need to get from my scheme provider to apply for the HomeStart grant?

A: Housing New Zealand needs you to provide evidence of your contributions history. If you don't have these records, you can obtain them from your scheme provider or from the IRD website "manage my KiwiSaver", www.kiwisaver.govt.nz.

6. Payment of the HomeStart grant and KiwiSaver first home withdrawal

Q: Can the HomeStart grant and KiwiSaver first home withdrawal be paid to me directly?

A: No, Housing New Zealand and your KiwiSaver scheme provider are required to pay the HomeStart grant and KiwiSaver first home withdrawal (as applicable) direct to your solicitor's trust account.

Q: When will the HomeStart grant and KiwiSaver first home withdrawal be paid?

A: If you are buying an older/existing property, Housing New Zealand will pay the HomeStart grant on the day your property settlement takes place. If you are buying a property off the plans, the grant could be paid to assist the first home buyer with the first payment required under the contract they have entered into, or to help pay a progress payment. Your KiwiSaver scheme provider can advise when they will pay a withdrawal from your KiwiSaver savings (either once your purchase goes unconditional or on the day your property settlement takes place). The HomeStart grant and KiwiSaver first home withdrawal will be paid to your solicitor.

Q: Can the HomeStart grant and KiwiSaver first home withdrawal be paid to my solicitor before I find a house to buy?

A: No. Housing New Zealand and your KiwiSaver scheme provider require a copy of a sale and purchase agreement along with some statements from your solicitor before they can approve your subsidy or withdrawal.

Q: What happens if the house sale falls through?

A: Any HomeStart grant and KiwiSaver first home withdrawal payments made to your solicitor will be returned to Housing New Zealand and your KiwiSaver scheme provider respectively. You will need to submit new applications if you find another house.

Q: Does the HomeStart grant have to be repaid?

A: No, as long as you live in the house you bought using the HomeStart grant for at least six months. If you don't live in the house for at least six months, the HomeStart grant must be paid back and penalties will apply.

Q: What happens if I can't live in the house for six months?

A: You can apply to the Housing New Zealand for an exemption to the condition to live in the house for at least six months. Housing New Zealand will consider each application on a case by case basis.

7. Use of HomeStart grant with other schemes

Q: I am going to transfer the savings from my Australian superannuation scheme to my KiwiSaver account. Will I be able to withdraw these funds to assist with the purchase of my first home?

A: Contributions made to an Australian superannuation scheme and then transferred to a KiwiSaver account cannot be withdrawn to be used to purchase a first home. All KiwiSaver funds contributed from New Zealand sources (excluding the Government kickstart contribution) can be withdrawn provided you meet the criteria. You should contact your KiwiSaver scheme provider to discuss this.

Q: I have been saving in an Australian superannuation scheme. Will I qualify for the HomeStart grant if I transfer my savings to a KiwiSaver scheme?

A: Contributions made to an Australian superannuation scheme and then transferred to KiwiSaver will not count towards eligibility for the HomeStart grant. You must contribute to KiwiSaver for at least 3 years to be eligible for the HomeStart grant.

Q: I'm already saving through another scheme — can I get the HomeStart grant?

A: The HomeStart grant is available to members of KiwiSaver schemes, work-based saving schemes that are exempt from KiwiSaver automatic enrolment rules and complying superannuation funds (providing members meet the qualification criteria).

Q: I am not in KiwiSaver. How do I find out if the scheme I save with is exempt from KiwiSaver automatic enrolment rules, or is a complying fund?

A: Your employer should be able to let you know the status of the fund you save with. If your employer is not sure you can contact the Financial Markets Authority.

Q: Does it matter if I have saved with a number of different scheme providers?

A: No, as long as you meet the eligibility criteria you will qualify for the subsidy.

8. Previous property ownership or interest in property or land

Q: I have previously owned a home. Am I eligible for the KiwiSaver first home withdrawal?

A: It is Housing New Zealand's role is to determine whether previous home owners are in the same financial position as a first home buyer, which you will need to qualify.

Even though you have previously owned a home, as long as you no longer have a share in a property, you may still be eligible for the KiwiSaver first home withdrawal. To be eligible you need to be in the same financial position as a first time buyer in terms of assets and income.

To be eligible as a previous home owner you must:

- not currently own any other property
- have an income of \$80,000 or less (before tax) in the last 12 months for one buyer, or have a combined income of \$120,000 or less (before tax) in the last 12 months for two or more buyers.
- not have realisable assets totalling more than 20 percent of the house price cap for the area you are buying in. 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
 - Building society shares
 - 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.
- meet all other eligibility criteria administered by your scheme provider
- you must not have previously received a home HomeStart grant or HomeStart grant.

Q: What happens after Housing New Zealand has determined I am in the same position as a first time home buyer?

A: Once Housing New Zealand has determined your eligibility they will send you a letter of determination. You will then take this letter to your KiwiSaver provider so they can process your savings withdrawal.

Q: My partner has previously owned a home. Will we be eligible for the HomeStart grant and / or KiwiSaver first home withdrawal?

A: Eligibility for the HomeStart grant and KiwiSaver first home withdrawal is assessed on individual applications. However, income is assessed on household income i.e. the people purchasing the home. You will need a yearly income of \$80,000 or less (before tax) (for one buyer), or a combined yearly income of \$120,000 or less (before tax) (for two or more buyers).

Q: I already own land and want to use the HomeStart grant to build the house. Can I do that?

A: The HomeStart grant is not available for people who already own land.

The HomeStart grant is for KiwiSaver members who have never owned a home or had an interest in estate. Owning land is considered to be the same as having 'an interest in estate'.

Q: I own a home together with some friends. Can I use the HomeStart grant to buy their share in the property?

A: If you own a home together with other people, you effectively have 'an interest in estate', and cannot receive the HomeStart grant to buy another stake in the home.

Q: Why is there an asset cap for previous home owners?

A: The HomeStart grant is intended to provide assistance to households to purchase a modest home to be their primary place of residence. It is not intended to assist households that already have sufficient assets or equity to buy a home.

Q: Why are there income caps, and how are they determined?

A: The HomeStart grant is designed to help people on modest incomes into a modestly-priced house rather than for people on higher incomes to buy a more expensive house.

Income caps are determined by the Ministers of Housing and Finance. In determining income caps Ministers will consider market income levels and house prices.

Q: Why is there an income cap for previous home owners?

A: The HomeStart grant is intended to provide assistance to households on modest incomes to purchase a home.

Q: I have previously owned a rental property. Am I eligible for the HomeStart grant and/or KiwiSaver first home withdrawal?

A: You may be eligible if your assets, income and liabilities are similar to those of a first home buyer. You will need to apply to Housing New Zealand for a determination that you are in a similar position to a first home buyer.

Q: I own/part own a bach, which is not my primary place of residence. Am I eligible to apply for the HomeStart grant and KiwiSaver first home withdrawal?

A: No, the HomeStart grant is not available for people who already own a house.

Q: I own / part own a house on leasehold land. Am I eligible for the HomeStart grant?

A: No, the HomeStart grant is not available for people who already own a house.

Q: My family want to gift me some land so that I can build a house. Will I qualify for the HomeStart grant to help with the build costs?

A: No, the HomeStart grant is not available for people who already own land (which would be your case if you accepted the gift).

Q: I have a share in Māori land. Am I eligible?

A: People with an interest in multiple-owned Maori land subject to Te Ture Whenua Maori Land Act 1993, who meet all other criteria, are eligible for the HomeStart grant.

Q: I have part ownership of some land in a trust. Am I eligible?

A: It will depend on the nature of the Trust.

Discretionary beneficiaries, contingent beneficiaries and vested beneficiaries of a Trust, who cannot be reasonably expected to occupy the land, will be eligible for the HomeStart grant. Bare trustees holding estates in land are not treated as holding the estate for the purposes of assessing their eligibility and are eligible to apply for the HomeStart grant.

Other types of trusts will be considered on a case by case basis. Generally eligibility will be determined based on the individual's ability to "reasonably occupy the property or sell the property". The HomeStart grant is intended to help people into their first home.

9. What do I need to tell my real estate agent, solicitor or mortgage agent/banker?

Q: What do I need to tell my real estate agent, solicitor or mortgage broker/banks?

A: It's you call, but perhaps you want to make them aware that the house/land purchase will be subject to you obtaining a HomeStart grant and/or a KiwiSaver first home withdrawal.

Q: Should my sale and purchase agreement be made conditional on my successfully obtaining a HomeStart grant and/or KiwiSaver first home withdrawal?

A: Again, it's you call, but if your finances are tight and you couldn't complete your purchase without the proceeds from the HomeStart grant and/or KiwiSaver first home withdrawal, then you might want to add this protection when you commence your negotiations.

Some Useful Definitions

KiwiSaver scheme	Registered savings scheme providing members with a \$1,000 kick-start and annual member tax credits from the Government. Members choose to pay 3%, 4% or 8% of salary or wages and the employer is required to pay a minimum of 3%. The scheme name will include 'KiwiSaver'.
Complying scheme	A registered employer sponsored superannuation scheme which allows members to lock in 3%, 4% or 8% of salary or wages into an account which can only be accessed on the same terms as a KiwiSaver scheme. The member may also continue to contribute to an unlocked account. You do not get a \$1,000 kick start from the government when you sign-up.
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 the employer. They do not get the government \$1,000 kick start contribution or annual member tax credits.
Code compliance certificate	A code compliance certificate is a certificate under the Building Act that shows that building work has been completed against an application of a building consent – you have built what you said you would build.
Previous home owner	An individual or group of individuals who have previously owned a house/land before. 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.
Realisable assets	Realisable assets are belongings that you can sell to help buy a house. This includes savings, shares, land, boats and motor vehicles. Housing New Zealand considers the following to be realisable assets. <ul style="list-style-type: none"> • Money in bank accounts (including fixed and term deposits) • Shares, stocks and bonds • Investments in banks or financial institutions • Building society shares • 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.
Fee simple	Owners are entitled to unrestricted use of the land and may dispose of the land in any way they wish (subject to any relevant laws).
Stratum estate freehold and leasehold	Common type of ownership for apartments where an undivided portion of a larger property is owned collectively and a smaller portion (the unit) is owned exclusively.
Cross-lease (freehold and leasehold)	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	The owner of the land with a fee simple title (see above definition) enters into a legal agreement (lease) to transfer the right to occupy/use the land to another legal entity for a specific period of time. The lease usually outlines a number of conditions, including the payment of ground rent to the landowner and the lease may be registered against the land title.
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.