

Buying a home with KiwiSaver for Dummies

Buying a home with KiwiSaver

KiwiSaver offers two features to help you into home ownership:

- KiwiSaver home deposit subsidy
- KiwiSaver home purchase 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 **home deposit subsidy**. Your KiwiSaver scheme provider administers the **KiwiSaver home purchase withdrawal**. The money from both the home deposit subsidy and the KiwiSaver home purchase withdrawal will only be paid directly to your solicitor. Housing New Zealand will pay the deposit subsidy on the day your property settlement takes place. 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 home deposit subsidy pre-approval from Housing New Zealand, and a KiwiSaver home purchase withdrawal pre-approval from your KiwiSaver scheme provider. These documents will be useful when you talk with your mortgage broker or banker.

Buying a home with KiwiSaver can take two forms.

- First-home buyer
- Second-chance home buyer.

Buying your first home with KiwiSaver

Step 1: Check you are eligible for the home deposit subsidy and KiwiSaver home purchase withdrawal:

- I am 18 years or older
- I have not received a home deposit subsidy before
- I am a member of a KiwiSaver scheme, complying scheme or exempt employer scheme
- I am buying one of the following types of property and land arrangements: (for more information on these property types; see our FAQs, definitions, or talk to your lawyer)
 - Fee Simple
 - Stratum estate freehold and leasehold
 - Cross-lease (freehold and leasehold)
 - Leasehold

Additional eligibility criteria affecting the home deposit subsidy only:

- 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 percent of income. From 1 April 2009 to 31 March 2012 the minimum contribution was 2 percent. From 1 April 2012, the minimum contribution increases to 3 percent.

- I have a combined yearly income of \$100,000 or less (before tax) for one or two buyers, or I have a combined yearly income of \$140,000 or less (before tax) for three or more buyers

Step 2: If buying a house, land to build a house on, or an apartment that is being built, you will need to meet the following criteria:

- you must not own any other property
- to qualify for a home deposit subsidy you must buy a house within the maximum house price caps. The house price caps are **\$400,000** for Auckland City, Wellington City and Queenstown Lakes District and **\$300,000** for all other areas.
- you must live in the house, or apartment (if you don't, you have to pay the home deposit subsidy back)
- you cannot use the home deposit subsidy or the KiwiSaver home purchase withdrawal to buy an investment property
- if you are buying land, a house must be built within 12 months of purchase. You will need to supply a code compliance certificate to show that this has been done
- if you are building on land or buying an apartment that is being built, you must show:
 - you will have funding for the construction of the building
 - the total cost of both the land and the house or apartment is within the house price caps
 - the land or site is ready to build on

Step 3: Apply to Housing New Zealand for a Home Deposit Subsidy

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

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)

You can buy a property with other people who may also qualify for a home deposit subsidy.

You may only receive the home deposit subsidy once, and it is paid directly to your solicitor, on settlement day.

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 may take 5 working days to approve or pre-approve an application for the home deposit subsidy however the pre-approval expires after 90 days, unless you apply for an extension. On the application form, tick the pre-approval option. Return 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 **home deposit subsidy** 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 (4) weeks from submitting an application through to paying out the home deposit subsidy to your lawyer on settlement date.

3. **Note** - Housing New Zealand can't pay your home deposit subsidy to your solicitor after your settlement date.

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

- [KiwiSaver first-home assistance form and instructions \(PDF, 350KB\)](#)
- [KiwiSaver application check sheet \(PDF, 322KB\)](#)
- Call **0508 935 266**
- Email kiwisaver.firsthome@hnzc.co.nz

Use the check sheet to ensure you have all the correct information to accompany your application. This check sheet also explains the timeframes for how long it takes for the deposit subsidy to be processed and paid out.

Step 4: Apply to your KiwiSaver scheme provider for a Home Purchase Withdrawal

You can qualify for a KiwiSaver home purchase withdrawal, even if you do not qualify for a home deposit subsidy (say, because your income is too high).

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

- After three years membership of a KiwiSaver scheme, you may be able to make a first-home purchase withdrawal of your KiwiSaver savings (less the Government member tax credits and \$1,000 kick-start).

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 5 working days to pre-approve an application for the KiwiSaver home purchase withdrawal – providing you supply all the required documentation. On the application form, tick the pre-approval option. Return to your KiwiSaver scheme provider with the required documents (see our FAQs for these documents) and we will check your eligibility.
2. Skip that process and apply for the **KiwiSaver home purchase withdrawal** directly if you already have found a house or land, and have a sale and purchase agreement. After your application is approved your funds will be paid directly to your solicitor once your provider receives your solicitors letter of undertaking and a copy of your sale and purchase agreement which must be in your own name.
3. **Note** – Your KiwiSaver scheme provider can't pay your **home purchase withdrawal proceeds** to your solicitor after your settlement date.

Step 5: NOW, start looking for the property

And, talk with your mortgage broker or banker, and to your solicitor.

For more information, read our FAQs

1. General questions
2. KiwiSaver first-home purchase withdrawal
3. KiwiSaver's first-home deposit subsidy
4. Who can apply for the home deposit subsidy
5. Application for the home deposit subsidy
6. Payment of the home deposit subsidy and KiwiSaver home purchase withdrawal
7. Use of home deposit subsidy with other schemes
8. Previous property ownership or interest in property or land
9. I need to tell my real estate agent, solicitor or mortgage agent/banker what?

Buying a home with KiwiSaver (as a previous property owner)

The role of Housing New Zealand

Housing New Zealand administers the home deposit subsidy and also determines whether you qualify as a second-chance home buyer. Your KiwiSaver scheme provider administers the second-chance-home withdrawal.

To qualify, Housing New Zealand will need to determine (where you are a previous property owner, but no longer have a share in a property) **if you are in the same financial position as a first-home buyer.**

Eligibility Criteria

Step 1: Check you are eligible for the home deposit subsidy:

- I am 18 years or older
- I have not received a home deposit subsidy before
- I am a member of a KiwiSaver scheme, complying scheme or exempt employer scheme.
- I have contributed at least the minimum percentage* of my income to a KiwiSaver scheme, complying scheme or exempt employer scheme for at least three years. (* 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 to 31 March 2012 the minimum contribution was 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 2012 the minimum contribution was increased to 3 percent of your income, 3 percent of minimum wage for non-earners or 3 percent of your yearly benefit for beneficiaries).
- I have a combined yearly income of \$100,000 or less (before tax) (for one or two buyers), or I have a combined yearly income of \$140,000 or less (before tax) (for three or more buyers)
- I am buying one of the following types of property and land arrangements: (for more information on these property types - see our FAQs, definitions, or talk to your lawyer)
 - Fee Simple
 - Stratum estate freehold and leasehold
 - Cross-lease (freehold and leasehold)
 - Leasehold
- As a **previous home owner**, 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 house. For example if you were buying a house in the \$300,000 cap area, your realisable assets cannot be worth more than \$60,000. 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
- Net equity in property or land (not being used as your 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.

Step 2: If buying a house, land to build a house on, or an apartment that is being built you will need to meet the following criteria:

- you must not own any other property
- to qualify for a home deposit subsidy you must buy a house within the maximum house price caps. The house price caps are **\$400,000** for Auckland City, Wellington City and Queenstown Lakes District and **\$300,000** for all other areas.
- you must live in the house for at least six months (if you don't, you have to pay the deposit back)
- you cannot use the home deposit subsidy or the KiwiSaver home purchase withdrawal to buy an investment property
- if you are buying land, the house must be built within 12 months of purchase. You will need to supply a code compliance certificate to show that this has been done
- if you are building on land or buying an apartment that is being built, you must show:
 - you will have funding for the construction of the building
 - the total cost of both the land and the house or apartment is within the house price caps
 - the land or site is ready to build on.

Step 3: Apply to Housing New Zealand for a Home Deposit Subsidy

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 detail any realisable assets you may have.

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. The pre-approval expires after 90 days, unless you apply for an extension. On the application form, tick the pre-approval option. Return to Housing New Zealand with the required documents (see our FAQ's for these documents) and they will check your eligibility.
2. Skip that process and apply for the home deposit subsidy directly if you already have found a house or land, and have a sale and purchase agreement. Please note that Housing New Zealand requires at least four (4) weeks from submitting an application through to paying out the home deposit subsidy to your lawyer on settlement date.
3. **Note** - Housing New Zealand can't pay your home deposit subsidy to your solicitor after your settlement date.

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

- [KiwiSaver first-home assistance form and instructions \(PDF, 350KB\)](#)
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Use the check sheet to ensure you have all the correct information to accompany your application. This check sheet also explains the timeframes for how long it takes for the home deposit subsidy to be processed and paid out.

Step 4: Apply to your KiwiSaver scheme provider for the Home Purchase Withdrawal

You can qualify for a KiwiSaver home purchase withdrawal, even if you do not qualify for a home deposit subsidy (say, because your income is too high).

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

After three years membership of a KiwiSaver scheme, you may be able to make a second-chance home purchase withdrawal, the amount of which will be made up of your KiwiSaver savings (less the Government member tax credits and \$1,000 kick-start). If you are a member of a complying fund, you **may** be able to withdraw your savings to help buy your second-chance 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 5 working days to pre-approve an application for the KiwiSaver home purchase withdrawal – providing you supply all the required documentation. On the application form, tick the pre-approval option. Return to your KiwiSaver scheme provider with the required documents and confirmation from Housing New Zealand that you qualify as a second-chance home buyer (see our [FAQs](#) for these documents) and we will check your eligibility.
2. Skip that process and **apply for the** KiwiSaver home purchase withdrawal directly if you already have found a house or land, and have a sale and purchase agreement and confirmation from Housing Corporation that you are a second-chance home buyer. After your application is approved your funds will be paid directly to your solicitor once your provider receives your solicitor's letter of undertaking and a copy of your sale and purchase agreement which must be in your own name.
3. **Note** – Your KiwiSaver scheme provider can't pay your **home purchase withdrawal proceeds** to your solicitor after your settlement date.

Step 5: NOW, start looking for the property

And, talk with your mortgage broker or banker, and to your solicitor.

For more information, read our FAQs

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Buying a home with KiwiSaver – Frequently asked questions

1. General questions

Q: Can I apply for both the home deposit subsidy and KiwiSaver home purchase withdrawal at the same time?

A: Yes, you can.

Q: I am also applying for a KiwiSaver home purchase withdrawal from my KiwiSaver scheme provider – how does that affect my home deposit subsidy application?

A: A home purchase withdrawal and the home deposit subsidy are independent features of KiwiSaver. You can apply for either one or both.

Q: What type of property and land are eligible for the home deposit subsidy?

A: There are four types of property and land ownership arrangements the home deposit subsidy 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.

Q: Am I allowed to use the home deposit subsidy with a Welcome Home loan?

A: Eligibility for the home deposit subsidy 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.

2. KiwiSaver first-home purchase withdrawal

Q: What is KiwiSaver first-home purchase 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 savings (excluding the government contributions) 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 home purchase withdrawal?

A: You need to obtain and complete the Home Purchase Withdrawal application form available from your KiwiSaver scheme provider if you want apply to withdraw your savings to purchase your first or second-chance 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 second home 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. First (and Second-Chance) Home Purchase Withdrawals cannot be made after the settlement date.

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

A: Housing New Zealand is only involved with the KiwiSaver home purchase 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 second chance home buyer so you can send this to your KiwiSaver scheme provider with your withdrawal application form.

3. KiwiSaver's first-home deposit subsidy

Q: Who can apply for the first-home deposit subsidy?

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

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)

Q: What can the KiwiSaver first-home deposit subsidy be used for?

A: The home deposit subsidy can help you buy a home, land to build a house on, or buy an apartment that is being built. It not to be used for 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 home deposit subsidy to buy a house with other people?

A: Yes, Individuals who are eligible can combine deposit subsidies towards a joint purchase. Buying a house with someone who is not eligible for the home deposit subsidy will not affect your eligibility, unless combined incomes exceed the income caps.

Q: Can I use the home deposit subsidy to buy land?

A: Yes, however, you have to build on it within 12 months of buying it, and the cost of building the house plus the cost of the land must not exceed the relevant regional house price cap.

Whether you buy a house or build one, you will have to live in the house for at least six months.

Q: Can I use the home deposit subsidy to build on Māori land?

A: Yes

Q: Can I use the home deposit subsidy to buy an apartment?

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

Q: Can I use the home deposit subsidy to buy a company share property?

A: No, you cannot use the home deposit subsidy 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 deposit subsidies to buy a house?

A: Yes you can.

4. Who can apply for the home deposit subsidy

Q: I am self-employed and I plan to join KiwiSaver. Can I get the home deposit subsidy?

A: If you are self employed, you will qualify for the home deposit subsidy, 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 percent of income. From 1 April 2009 to 31 March 2012 the minimum contribution was 2 percent. From 1 April 2012 the minimum contribution was increased to 3 percent

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 home deposit subsidy to buy a house?

A: You will qualify for the home deposit subsidy if you make an annual contribution that is at least the minimum percentage of the adult minimum wage (currently \$510 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 percent of the minimum wage. From 1 April 2009 to 31 March 2012 the minimum contribution was 2 percent. From 1 April 2012 the minimum contribution will increase to 3 percent.

Q: I am a beneficiary, am I eligible for the home deposit subsidy?

A: You will qualify for the home deposit subsidy 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 percent of the minimum wage. From 1 April 2009 to 31 March 2012 the minimum contribution was 2 percent. From 1 April 2012 the minimum contribution will increase to 3 percent.

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

A: You will qualify for the home deposit subsidy 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 percent of the minimum wage. From 1 April 2009 to 31 March 2012 the minimum contribution was 2 percent. From 1 April 2012 the minimum contribution will increase to 3 percent.

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 a minimum of two percent of your total income. 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 \$8 (which is two percent of \$400) to qualify for the home deposit subsidy.

Q: I am a KiwiSaver member and full time homemaker. Am I eligible for the home deposit subsidy?

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 percent of the minimum wage. From 1 April 2009 to 31 March 2012 the minimum contribution was 2 percent. From 1 April 2012 the minimum contribution will increase to 3 percent.

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

A: No - eligibility for the home deposit subsidy is based on whole year contributions.

Q: Will I qualify for the home deposit subsidy 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 will also need to meet the other eligibility criteria.

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

A: The home deposit subsidy 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 home deposit subsidy?

A: Yes, the home deposit subsidy 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 home deposit subsidy as long as they meet the minimum contribution requirements.

Q: Is there a maximum age for the home deposit subsidy?

A: No, there is no maximum age limit for home deposit subsidy 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 home deposit subsidy.

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 home deposit subsidy. 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 home deposit subsidy 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 home deposit subsidy available for organisations?

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

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

A: No. You can only get the home deposit subsidy once.

5. Application for the home deposit subsidy

Q: How do I apply?

A: To apply for the home deposit subsidy, or to apply for a pre-approval, download and print out the home deposit subsidy 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 home deposit subsidy, 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 or letter from your employer 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:

- Your most recent financial statements, supported by business and personal tax returns. These should show the percentage of income contributed annually to your scheme.

- Up to date interims if the end of the last financial year is more than six months ago

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

This can include statement print outs from the "My KiwiSaver" online service on www.kiwisaver.govt.nz, payment records from your scheme provider, letter from your employers, or financial statements showing the percent of income contributed (if self employed)

3. Identification

Photo copy of passport or birth certificate.

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

(if you have made an offer to purchase and now require the home deposit subsidy) - if not applying for a pre-approval

You will require a witness when signing the application form.

Q: Can I apply for the home deposit subsidy 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 home deposit subsidy 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 home deposit subsidy?

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 home deposit subsidy and KiwiSaver home purchase withdrawal

Q: Can the home deposit subsidy and KiwiSaver home purchase withdrawal be paid to me directly?

A: No, Housing New Zealand and your KiwiSaver scheme provider are required to pay the home deposit subsidy and KiwiSaver withdrawal (as applicable) direct to your solicitor.

Q: When will the home deposit subsidy and KiwiSaver home purchase withdrawal be paid?

A: The home deposit subsidy and KiwiSaver home purchase withdrawal will be paid to your solicitor. Housing New Zealand will pay the deposit subsidy on the day your property settlement takes place. 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).

Q: Can the home deposit subsidy and KiwiSaver home purchase 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 home deposit subsidy and KiwiSaver home purchase 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 home deposit subsidy have to be repaid?

A: No, as long as you live in the house you bought using the home deposit subsidy for at least six months. If you don't live in the house for at least six months, the home deposit subsidy 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 home deposit subsidy with other schemes

Q: I have been saving in an Australian superannuation scheme. Will I qualify for the home deposit subsidy 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 home deposit subsidy. You must contribute to KiwiSaver for at least 3 years to be eligible for the home deposit subsidy.

Q: I'm already saving through another scheme – can I get the home deposit subsidy?

A: The home deposit subsidy 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 home purchase withdrawal?

A: It is Housing New Zealand's role is to determine whether previous home owners qualify.

Even though you have previously owned a home, but as long as you no longer have a share in a property, you may still be eligible for the KiwiSaver home purchase 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 a combined yearly income of \$100,000 or less (before tax) for one or two buyers
- have a combined yearly income of \$140,000 or less (before tax) for three 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
 - Net equity in property or land (not being used as your 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.
- meet all other eligibility criteria administered by your scheme provider

Q: My partner has previously owned a home. Will we be eligible for the home deposit subsidy and / or KiwiSaver home purchase withdrawal?

A: Eligibility for the home deposit subsidy and KiwiSaver home purchase withdrawal is assessed on individual applications. However, income is assessed on household income i.e. the people purchasing the home. You will need a combined yearly income of \$100,000 or less (before tax) (for one or two buyers), or a combined yearly income of \$140,000 or less (before tax) (for three or more buyers).

Q: I already own land and want to use the home deposit subsidy to build the house. Can I do that?

A: The home deposit subsidy is not available for people who already own land.

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

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

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

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

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

Q: I have owned a rental property. Am I eligible for the home deposit subsidy and/or KiwiSaver home purchase 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 home deposit subsidy and KiwiSaver home purchase withdrawal?

A: No, the home deposit subsidy 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 home deposit subsidy?

A: No, the home deposit subsidy 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 home deposit subsidy to help with the build costs?

A: No, the home deposit subsidy is not available for people who already own land (which would be your case if you accepted the gift). Some exceptions will apply where Housing New Zealand will determine eligibility for the home deposit subsidy on a case by case basis. For example, where people own very small shares in land or own land by way of certain types of trust.

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 home deposit subsidy.

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 home deposit subsidy. 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 home deposit subsidy.

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 home deposit subsidy is intended to help people into their first home.

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

A: Once we have determined your eligibility we will send you a letter of determination. You will then take this letter to your KiwiSaver scheme provider so they can process your KiwiSaver home purchase withdrawal.

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

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 home deposit subsidy and/or a KiwiSaver home purchase withdrawal.

Q: Should my sale and purchase agreement be made conditional on my successfully obtaining a home deposit subsidy and/or KiwiSaver home purchase 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 home deposit subsidy and/or KiwiSaver home purchase 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 government. Members choose to pay 2%, 4% or 8% of salary or wages and the employer is required to pay 2%. The scheme name will include 'KiwiSaver'.
Complying scheme	A registered employer sponsored superannuation scheme which allows members to lock in 2%, 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 home deposit subsidy. 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 home deposit subsidy and first-home purchased 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 • Net equity in property or land (not being used as your 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.
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.