

Buying a home with KiwiSaver or In-Tandem Frequently Asked Questions

The information set out below is current as at the date this document was prepared, but you should seek your own advice on whether any applicable KiwiSaver, First Home Partner or First Home Loan rules or thresholds have changed.

This document does not consider:

- First Home Grant. The Government announced on 22 May 2024 that it will be abolishing the First Home Grant scheme. As of the date of this document, applications for First Home Grant are no longer open. For more information, please refer to www.kaingora.govt.nz; and
- KiwiBuild. For information about KiwiBuild, please refer to www.kiwibuild.govt.nz

1. 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 your call, but perhaps you want to make them aware that the house/land purchase will be subject to you obtaining a KiwiSaver first home withdrawal, and/or an In-Tandem first home withdrawal.

Q: Should my sale & purchase agreement be made conditional on my successfully obtaining a KiwiSaver first home withdrawal, and/or an In-Tandem first home withdrawal?

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

2. General questions

Q: What type of property and land are eligible for the KiwiSaver first home withdrawal or In-Tandem first home withdrawal and what must the property/land be used for?

A: There are five types of property and land ownership arrangements a KiwiSaver first home withdrawal and/or In-Tandem first home withdrawal 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 Māori land	Multiple owned Māori land subject to Te Ture Whenua Māori 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

In addition In-Tandem members may also be eligible for a first home withdrawal if they are looking to purchase a similar residential home interest (including contractually based interests). A similar residential home interest is where you purchase a group of shares in a company which owns the entire block of apartments, rather than purchasing a Freehold Title. The company doesn't trade anything, or list itself on the stock exchange. It is simply a structure that is set up to administer the purchase, sale, maintenance and other normal activities that go on in a typical apartment complex.

The property/land must be used as your principal place of residence.

Q: Am I allowed to use the First Home Partner with a First Home Loan?

A: No. If you are eligible for a First Home Loan, that means you are able to secure a low deposit home loan from a participating bank or lender (with the loan underwritten by Kāinga Ora) and should not require the support from Kāinga Ora under First Home Partner. First Home Partner is designed for people who are not able to receive a First Home Loan.

Q: Can I apply for the First Home Partner, a KiwiSaver first home withdrawal, and an In-Tandem first home withdrawal at the same time?

A: Yes, you can. You will need to submit an application to Kāinga Ora for the First Home Partner, and apply to your KiwiSaver scheme provider for the KiwiSaver first home withdrawal, and the In-Tandem trustee for the In-Tandem first home withdrawal.

3. In-Tandem first home withdrawal

Q: What is the In-Tandem first home withdrawal?

A: If you are 18 or over, and you have been an In-Tandem member for three years or more, you may be able to withdraw all, or part of your In-Tandem account(s) to put towards buying your first home. Previous home owners may also be eligible. See topic 6 "Previous property ownership or interest in property or land" for further details. In either case, you will not be eligible if you have made a home withdrawal from In-Tandem or KiwiSaver before.

In the first instance, please contact the In-Tandem scheme administrator.

Q: How do I apply for the In-Tandem first home withdrawal?

A: You need to obtain an application form from the In-Tandem website to apply to withdraw your savings to purchase your home. You will need to complete the application form and submit it to the scheme administrator.

In addition, the scheme administrator will require the following before payment of the withdrawal will be made:-

- a) a copy of an agreement for the sale & 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 either:
 1. the agreement has gone unconditional; or

2. if the agreement is conditional, that payment of any amount of the withdrawal to be applied towards paying a deposit under the agreement (deposit funds) will be held by a stakeholder and the stakeholder is obliged to hold the amount while the agreement is conditional; and
- d) an undertaking from your solicitor:
1. if the agreement is unconditional, 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 accounts in In-Tandem); or
 2. if the agreement is conditional, that the stakeholder is obliged to repay any deposit funds to the solicitor if settlement of the agreement is not completed by the due date or any extended date (except where non-completion of the settlement is due to your default) and the solicitor will repay the funds to your accounts in In-Tandem.

If you are applying as a previous home owner, the In-Tandem trustee may require you to provide information to support your financial position and to have an independent financial assessment. You will not be eligible if you have made a home withdrawal from In-Tandem or KiwiSaver before.

Q: When should I apply to In-Tandem 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.

If you are withdrawing for the purposes of deposit (with any residue being paid on settlement) - once you have a conditional signed sale & purchase agreement in place the In-Tandem administrator should be able to process your KiwiSaver first home withdrawal application, subject to having received all of the other relevant documents.

If you are withdrawing for the purposes of settlement – once you have a signed sale & purchase agreement in place the In-Tandem administrator will pay your withdrawal amount to your solicitor (subject to receiving the required confirmations from your solicitor) for use on settlement date. We recommend your solicitor provides the In-Tandem administrator with the required confirmations at least 10 working days before the settlement date. In-Tandem first (and previous home owner) home withdrawals **cannot be made after the settlement date.**

Conditional sale & purchase agreements: - the In-Tandem administrator can pay your withdrawal amount to your solicitor (subject to receiving the required confirmations from your solicitor) to facilitate payment of the transaction deposit. Your solicitor can then hold the balance of funds in an interest bearing account for use on settlement date. We recommend your solicitor provides the In-Tandem administrator with the required confirmations at least 10 working days before the settlement date.

Q: Is the In-Tandem trustee involved in me applying for the In-Tandem first home withdrawal?

A: All applications for a first home withdrawal are subject to the In-Tandem trustee's approval. The In-Tandem trustee will need to be satisfied that you meet all eligibility criteria. In the case of a previous home owner, the In-Tandem trustee will determine if you are in the same financial position as a first time home buyer. To do this the trustee must be satisfied that your income, assets and liabilities represent a financial position that would be expected of a person who has not owned a home before. The trustee may require supporting information and an independent financial assessment before making a decision.

Q: What effect will the In-Tandem first home withdrawal have on my leaving service benefit?

A: If you are eligible and elect to make a first home withdrawal this will affect your leaving service benefit. Your member account and any company account balance will reduce by the amount you withdraw. The maximum withdrawal amount is an amount equal to your leaving service benefit. Therefore, if you elect to receive the full amount available for withdrawal, your member account will reduce to zero and any company account balances may be reduced to zero (depending on how you are impacted by the In-Tandem vesting scale applicable to your membership category). This would effectively leave you in the same position as a new member to In-Tandem.

4. 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 and have not made a home withdrawal from KiwiSaver before, you may be able to withdraw everything from your KiwiSaver to put towards buying your first home, other than:

- o \$1,000 (this ensures that your KiwiSaver scheme account will continue post withdrawal); plus
- o Any amount transferred to KiwiSaver from an Australian complying superannuation scheme (disregarding any positive or negative investment returns on that amount).

In the first instance, please contact your KiwiSaver scheme provider. If you don't know who your KiwiSaver scheme provider is, call 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 & 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 either:
 - 1. the agreement has gone unconditional; or
 - 2. if the agreement is conditional, that payment of any amount of the withdrawal to be applied towards paying a deposit under the agreement (deposit funds) will be held by a stakeholder and the stakeholder is obliged to hold the amount while the agreement is conditional; and
- d) an undertaking from your solicitor:
 - 1. if the agreement is unconditional, 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); or
 - 2. if the agreement is conditional, that that the stakeholder is obliged to repay any deposit funds to the solicitor if settlement of the agreement is not completed by the due date or any extended date (except where non-completion of the settlement is due to the your default) and the solicitor will repay the funds to your account in your KiwiSaver scheme; and

- e) confirmation from Kāinga Ora 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.

If you are withdrawing for the purposes of deposit (with any residue being paid on settlement) - once you have a conditional signed sale & purchase agreement in place your KiwiSaver provider should be able to process your KiwiSaver first home withdrawal application, subject to having received all of the other relevant documents.

If you are withdrawing for the purposes of settlement – once you have a signed sale & purchase agreement in place your KiwiSaver provider will pay your withdrawal amount to your solicitor (subject to receiving the required confirmations from your solicitor) for use on settlement date. We recommend your solicitor provides your KiwiSaver provider with the required confirmations at least 10 working days before the settlement date (the timeframes required differ between providers therefore this should be confirmed with your KiwiSaver provider). KiwiSaver first (and previous home owner) home withdrawals **cannot be made after the settlement date.**

Conditional sale & purchase agreements: - your KiwiSaver provider can pay your withdrawal amount to your solicitor (subject to receiving the required confirmations from your solicitor) to facilitate payment of the transaction deposit. Your solicitor can then hold the balance of 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 10 working days before the settlement date.

Q: Is Kāinga Ora involved in me applying for the KiwiSaver first home withdrawal?

A: Kāinga Ora is only involved with the KiwiSaver first home withdrawal if you have previously owned a home. In these cases, Kāinga Ora 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.

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 \$1,000.00) can be withdrawn provided you meet the criteria. You should contact your KiwiSaver scheme provider to discuss this.

5. Payment of the KiwiSaver first home withdrawal and In-Tandem first home withdrawal

Q: Can the KiwiSaver first home withdrawal and In-Tandem first home withdrawal be paid to me directly?

A: No, your KiwiSaver scheme provider and In-Tandem administrator are required to pay the KiwiSaver and/or In-Tandem first home withdrawal (as applicable) direct to your solicitor's trust account.

Q: When will the KiwiSaver first home withdrawal and/or In-Tandem first home withdrawal be paid?

A: Your KiwiSaver scheme provider and/or In-Tandem administrator can advise when they will pay a withdrawal from your KiwiSaver and/or In-Tandem savings to your solicitor. The KiwiSaver and/or In-Tandem first home withdrawal will be paid to your solicitor.

Q: Can the KiwiSaver first home withdrawal and/or In-Tandem first home withdrawal be paid to my solicitor before I find a house to buy?

A: No. Your KiwiSaver scheme provider and the In-Tandem administrator will require a copy of a sale & purchase agreement along with some statements from your solicitor before they can approve your subsidy or withdrawal.

Q: Does the sale & purchase agreement need to be unconditional for a KiwiSaver first home withdrawal and/or In-Tandem first home withdrawal to be paid to my solicitor?

A: A sale & purchase agreement can be conditional or unconditional. Your solicitor will be required to make certain undertakings to the KiwiSaver scheme provider or In-Tandem trustee regarding how the money is held and paid. These undertakings by your solicitor will differ depending on whether your sale & purchase agreement is unconditional or not.

Q: What happens if the house sale falls through?

A: Any KiwiSaver first home withdrawal and/or In-Tandem first home withdrawal payments made to your solicitor will be returned to the respective parties. You will need to submit new applications if you find another house.

6. 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 and/or the In-Tandem first home withdrawal?

A: For KiwiSaver, it is Kāinga Ora'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. In the case of an In-Tandem, the In-Tandem trustee make this determination.

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 or In-Tandem 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
- not have realisable assets totalling more than 20 percent of the house price cap for existing/older properties for the area you are buying in. Kāinga Ora 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.

- Any money paid to, or held by, the real estate agent or solicitor as a deposit on a home.
- meet all other eligibility criteria administered by your scheme provider
- not have previously made a withdrawal from In-Tandem or your KiwiSaver for a home purchase.

Q: What happens after Kāinga Ora has determined I am in the same position as a first time home buyer for the purposes of my KiwiSaver first home withdrawal?

A: Once Kāinga Ora 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: What happens after the In-Tandem trustee has determined I am in the same position as a first time home buyer for the purposes of my In-Tandem first home withdrawal?

A: The In-Tandem trustee will determine your eligibility as a previous home owner at the same time it considers your application for withdrawal. You will be notified by the In-Tandem administrator as to whether your application has been approved or not.

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

A: Eligibility for the KiwiSaver and In-Tandem first home withdrawal is assessed on individual applications.

Q: I have previously owned a rental property. Am I eligible for the KiwiSaver first home withdrawal and/or In-Tandem 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 Kāinga Ora (or the In-Tandem trustee in the case of an In-Tandem first home withdrawal) for a determination that you are in a similar position to a first home buyer. You must not have previously made a withdrawal from In-Tandem or your KiwiSaver for a home purchase.

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

A: No, the KiwiSaver and/or In-Tandem first home withdrawals are not available for people who already own a house.

Some Useful Definitions

KiwiSaver scheme	Registered savings scheme providing members with annual member tax credits from the Government where eligible. Members are required to pay 3.5% (or 3%, if they are on a temporary rate reduction) or 4%, 6%, 8%, or 10% if they elect, of salary or wages and the employer is required to pay a minimum of 3.5% (or 3%, if the member is on a temporary rate reduction). The scheme name will include 'KiwiSaver'.
Previous home owner	An individual or group of individuals who have previously owned a house/land before. They may be eligible for the first home withdrawal if they meet certain conditions regarding their ownership of assets and their level of income.
Realisable assets	<p>Realisable assets are belongings that you can sell to help buy a house. This includes savings, shares, land, boats and motor vehicles. Kāinga Ora considers the following to be realisable assets.</p> <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 ➤ Any money paid to, or held by, the real estate agent or solicitor as a deposit on a home.
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).
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