

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, HomeStart Grant or Welcome Home Loan rules or thresholds have changed.

On 4 September 2019, the Government announced changes to the HomeStart Grant and Welcome Home Loan that will come into effect from 1 October 2019. The “HomeStart Grant” will be called the “First Home Grant” and the “Welcome Home Loan” will be called the “First Home Loan”. For a summary of the key changes, please refer to <https://www.hud.govt.nz/assets/Residential-Housing/KiwiBuild/49637ea860/Changes-for-First-Home-and-KiwiBuild-Buyers.pdf>

Note that this document does not consider KiwiBuild. For information about KiwiBuild and the changes to the KiwiBuild rules effective from 1 October 2019, please refer to <https://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 HomeStart grant from Housing New Zealand and/or 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 HomeStart grant, 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 HomeStart grant and/or 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 HomeStart grant, 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 HomeStart grant and/or 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 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

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 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.

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

A: Yes, you can. You need to apply to Housing New Zealand for the HomeStart grant, 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 10 "Previous property ownership or interest in property or land" for further details.

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

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.

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, you may be able to withdraw everything from your KiwiSaver to put towards buying your first home, other than:

\$1,000 (this ensures that your KiwiSaver scheme account will continue post withdrawal); plus

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 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.

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 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.

5. 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 house:

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-build:

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 a house, 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 savings suspension, you will be eligible after three and a half years (the length of your savings suspension 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 if you buy a property with other people. These amounts are \$10,000 for the purchase of an existing house and \$20,000 for a new-build. Note, however, that effective from 1 October 2019 these maximum grant amounts will be removed where there are three or more buyers. This means that, where there are three or more buyers, the HomeStart grant can be paid to all buyers who are eligible for the grant. For an example of how this rule change could benefit you, please refer to <https://www.hud.govt.nz/assets/Residential-Housing/KiwiBuild/49637ea860/Changes-for-First-Home-and-KiwiBuild-Buyers.pdf>

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 & 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 if you buy a property with other people. These amounts are \$10,000 for the purchase of an existing house and \$20,000 for a new-build. Note, however, that effective from 1 October 2019 these maximum grant amounts will be removed where there are three or more buyers. Where it is just you and your partner (two buyers), the above maximum grant amounts payable for a single dwelling will continue to apply.

6. 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 \$708 before tax 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 for existing/older properties.
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.

7. 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.

If you are not currently employed, you must provide a certificate of earnings from IRD that no taxable income has been earned in the last 12 months.

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 your personal IR 3 statements covering the period you have contributed to KiwiSaver. This should be supported by copies of Notice of Assessments and Return Acknowledgements from IRD for the period you have contributed to KiwiSaver.

- 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 & purchase agreement of the house or land you are buying

5. Evidence that you have the required deposit Please note that, effective from 1 October 2019, deposit requirements for the HomeStart grant for existing and new homes have been reduced from 10 percent to 5 percent.

If applying for 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.

8. Payment of the HomeStart grant, KiwiSaver first home withdrawal and In-Tandem first home withdrawal

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

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

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

A: If you are buying an existing house, 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 you with the first payment required under the contract you have entered into, or to help pay a progress payment.

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 HomeStart grant and KiwiSaver and/or In-Tandem first home withdrawal will be paid to your solicitor.

Q: Can the HomeStart grant, 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. Housing New Zealand, your KiwiSaver scheme provider and the In-Tandem administrator all 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 HomeStart grant, 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.

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 receive a HomeStart grant and 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.

9. 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 \$1,000.00) 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 such as In-Tandem that are exempt from KiwiSaver automatic enrolment rules and complying superannuation funds (providing members meet the qualification criteria).

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

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

10. 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 Housing New Zealand's role 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
have an income of \$85,000 or less (before tax) in the last 12 months for one buyer, or
have a combined income of \$130,000 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 existing/older properties for the area you are buying in. Housing New Zealand considers the following to be realisable assets:

- o Money in bank accounts (including fixed and term deposits)
- o Shares, stocks and bonds
- o Investments in banks or financial institutions
- o Building society shares
- o Boat or caravan (if the value is over \$5,000)
- o Other vehicles (such as classic motorbikes or cars - not being used as your usual method of transport).
- o Other assets valued over \$5,000.
- o 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

you must not have previously received a HomeStart grant or made a withdrawal from In-Tandem or your KiwiSaver for a home purchase.

Q: What happens after Housing New Zealand 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 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: 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 HomeStart grant and/or KiwiSaver first home withdrawal and/or In-Tandem first home withdrawal?

A: Eligibility for the HomeStart grant, KiwiSaver and In-Tandem 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 \$85,000 or less (before tax) (for one buyer), or a combined yearly income of \$130,000 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 and/or In-Tandem 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 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 Housing New Zealand (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.

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

A: No, the HomeStart grant and KiwiSaver and/or In-Tandem first home withdrawals are 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 for a HomeStart grant?

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 for a HomeStart grant?

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.

Some Useful Definitions

KiwiSaver scheme	Registered savings scheme providing members with annual member tax credits from the Government where eligible. Members choose to pay 3%, 4%, 6%, 8% or 10% of salary or wages and the employer is required to pay a minimum of 3%. The scheme name will include 'KiwiSaver'.
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 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).
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.