

# Financial Products Quarterly Report

Period Ending 31 December 2016

## KiwiSaver HomeStart Grant

The KiwiSaver HomeStart Grant replaced the KiwiSaver deposit subsidy from 1 April 2015. Like the KiwiSaver Deposit subsidy, the grant provides eligible first-home buyers with a grant of up to \$5,000 for individuals and up to \$10,000 for couples to put towards the purchase of an existing/older home.

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

### HomeStart Applications - Quarter by Quarter

Quarter	Received	Approved	Pre-Approval	Declined, Withdrawn and Other	In process at quarter's end
Jan – Mar 2016	6,608	3,525	3,472	1,728	335
Apr – Jun 2016	7,082	3,672	3,896	1,917	363
Jul – Sept 2016	8,263	3,981	4,615	2,223	490
Oct – Dec 2016	6,702	4,413	3,856	1,929	246

### KiwiSaver HomeStart Grant Overview by Territorial Local Authority (TLA) October to December 2016

TLA	Applications Approved			Properties Bought			Grants Paid			\$ Paid		
	Existing	New	Total	Existing	New	Total	Existing	New	Total	Existing	New	Total
Far North	56	5	61	44	2	46	55	4	59	235,000	28,000	<b>263,000</b>
Whangarei	68	9	77	53	7	60	71	9	80	304,000	72,000	<b>376,000</b>
Kaipara	18	0	18	15	0	15	19	0	19	80,000	0	<b>80,000</b>
Auckland	257	125	382	196	91	287	267	134	401	1,152,000	1,172,000	<b>2,324,000</b>
Thames/Coromandel	12	1	13	11	2	13	15	3	18	61,000	26,000	<b>87,000</b>
Hauraki	15	4	19	18	1	19	21	2	23	94,000	16,000	<b>110,000</b>
Waikato	39	4	43	31	2	33	42	4	46	181,000	36,000	<b>217,000</b>
Matamata Piako	33	2	35	25	1	26	34	2	36	147,000	20,000	<b>167,000</b>
Hamilton	149	10	159	107	11	118	144	17	161	630,000	136,000	<b>766,000</b>
Waipa	32	5	37	24	3	27	30	5	35	127,000	48,000	<b>175,000</b>
Otorohanga	12	1	13	8	1	9	13	1	14	56,000	6,000	<b>62,000</b>
South Waikato	38	1	39	26	1	27	36	1	37	145,000	10,000	<b>155,000</b>
Waitomo	13	0	13	10	0	10	12	0	12	49,000	0	<b>49,000</b>
Taupo	38	2	40	29	0	29	37	0	37	156,000	0	<b>156,000</b>
Western BoP	22	9	31	19	5	24	26	7	33	104,000	54,000	<b>158,000</b>
Tauranga	78	22	100	54	17	71	80	24	104	344,000	184,000	<b>528,000</b>
Rotorua	94	1	95	69	1	70	97	1	98	419,000	8,000	<b>427,000</b>
Whakatane	36	0	36	24	0	24	34	0	34	148,000	0	<b>148,000</b>
Kawerau	15	0	15	14	0	14	17	0	17	69,000	0	<b>69,000</b>
Opotiki	8	0	8	5	0	5	7	0	7	33,000	0	<b>33,000</b>
Gisborne	60	2	62	43	2	45	59	3	62	267,000	28,000	<b>295,000</b>
Wairoa	14	0	14	16	0	16	16	0	16	65,000	0	<b>65,000</b>
Hastings	73	1	74	58	1	59	74	1	75	320,000	6,000	<b>326,000</b>

TLA	Applications Approved			Properties Bought			Grants Paid			\$ Paid		
	Existing	New	Total	Existing	New	Total	Existing	New	Total	Existing	New	Total
Napier	58	2	60	47	2	49	66	2	68	291,000	18,000	<b>309,000</b>
Ctrl Hawkes Bay	31	0	31	21	0	21	27	0	27	121,000	0	<b>121,000</b>
New Plymouth	75	4	79	64	5	69	82	8	90	349,000	64,000	<b>413,000</b>
Stratford	16	0	16	14	0	14	18	0	18	76,000	0	<b>76,000</b>
South Taranaki	25	2	27	24	1	25	29	2	31	118,000	18,000	<b>136,000</b>
Ruapehu	15	4	19	14	2	16	18	2	20	78,000	12,000	<b>90,000</b>
Wanganui	103	5	108	83	3	86	98	4	102	435,000	38,000	<b>473,000</b>
Rangitikei	19	0	19	19	0	19	23	0	23	102,000	0	<b>102,000</b>
Manawatu	58	17	75	52	6	58	72	9	81	300,000	78,000	<b>378,000</b>
Palmerston Nth	202	14	216	160	11	171	224	19	243	961,000	160,000	<b>1,121,000</b>
Tararua	40	0	40	28	0	28	33	0	33	145,000	0	<b>145,000</b>
Horowhenua	49	1	50	46	4	50	55	6	61	247,000	44,000	<b>291,000</b>
Kapiti Coast	32	8	40	33	6	39	41	10	51	175,000	84,000	<b>259,000</b>
Porirua	56	4	60	32	1	33	46	2	48	206,000	16,000	<b>222,000</b>
Upper Hutt	65	5	70	41	2	43	61	3	64	263,000	24,000	<b>287,000</b>
Lower Hutt	170	12	182	138	7	145	184	12	196	816,000	110,000	<b>926,000</b>
Wellington	85	12	97	63	8	71	85	14	99	385,000	118,000	<b>503,000</b>
Masterton	55	6	61	34	4	38	45	6	51	194,000	54,000	<b>248,000</b>
Carterton	9	2	11	8	3	11	10	4	14	39,000	34,000	<b>73,000</b>
South Wairarapa	17	2	19	12	1	13	15	2	17	63,000	18,000	<b>81,000</b>
Tasman	22	4	26	21	2	23	30	4	34	134,000	24,000	<b>158,000</b>
Nelson	69	9	78	56	5	61	80	8	88	347,000	58,000	<b>405,000</b>
Marlborough	69	4	73	51	1	52	69	2	71	302,000	18,000	<b>320,000</b>
Kaikoura	0	0	0	1	0	1	2	0	2	7,000	0	<b>7,000</b>
Buller	12	0	12	13	0	13	15	0	15	65,000	0	<b>65,000</b>
Grey	23	0	23	19	0	19	24	0	24	103,000	0	<b>103,000</b>
Westland	9	1	10	10	1	11	12	1	13	51,000	8,000	<b>59,000</b>
Hurunui	9	0	9	4	2	6	4	2	6	20,000	20,000	<b>40,000</b>
Waimakariri	56	33	89	42	23	65	60	37	97	264,000	314,000	<b>578,000</b>
Christchurch	481	113	594	334	62	396	460	91	551	2,008,000	780,000	<b>2,788,000</b>
Selwyn	45	90	135	27	58	85	42	92	134	184,000	810,000	<b>994,000</b>
Ashburton	62	0	62	47	0	47	67	0	67	286,000	0	<b>286,000</b>
Timaru	87	0	87	68	0	68	92	0	92	396,000	0	<b>396,000</b>
MacKenzie	4	0	4	2	0	2	3	0	3	13,000	0	<b>13,000</b>
Waimate	9	0	9	7	0	7	8	0	8	30,000	0	<b>30,000</b>
Waitaki	20	2	22	22	2	24	25	2	27	108,000	16,000	<b>124,000</b>
Central Otago	16	9	25	12	5	17	15	9	24	63,000	70,000	<b>133,000</b>
Queenstown Lakes	1	8	9	1	11	12	1	15	16	5,000	132,000	<b>137,000</b>
Dunedin	248	6	254	183	4	187	251	6	257	1,088,000	48,000	<b>1,136,000</b>
Clutha	26	3	29	25	2	27	34	3	37	148,000	28,000	<b>176,000</b>
Southland	31	4	35	24	3	27	35	4	39	154,000	32,000	<b>186,000</b>
Gore	29	0	29	21	0	21	25	0	25	107,000	0	<b>107,000</b>
Invercargill	133	2	135	111	2	113	142	2	144	625,000	14,000	<b>639,000</b>
<b>Total</b>	<b>3,821</b>	<b>592</b>	<b>4,413</b>	<b>2,932</b>	<b>397</b>	<b>3,329</b>	<b>3,934</b>	<b>601</b>	<b>4,535</b>	<b>17,058,000</b>	<b>5,112,000</b>	<b>22,170,000</b>

	Jan – Mar 2016	Apr – Jun 2016	Jul – Sept 2016	Oct - Dec 2016	Total for last 4 quarters	Total since 1 Apr 2015
<b>Total HomeStart grants paid</b>	<b>\$14,135,000</b>	<b>\$17,173,000</b>	<b>\$16,328,000</b>	<b>\$22,170,000</b>	<b>\$69,806,000</b>	<b>\$111,309,000</b>
Existing properties	\$11,881,000	\$13,851,000	\$12,596,000	\$17,058,000	\$55,386,000	\$89,795,000
New properties	\$2,254,000	\$3,322,000	\$3,732,000	\$5,112,000	\$14,420,000	\$21,514,000
Average individual grant for new build	\$8,379	\$8,562	\$8,720	\$8,506	\$8,553	\$8,531
Average individual grant for existing properties	\$4,275	\$4,316	\$4,309	\$4,336	\$3,975	\$4,401
Average amount paid out per new build	\$12,317	\$12,728	\$12,825	\$12,877	\$12,739	\$12,547
Average amount paid out per existing property	\$5,718	\$5,718	\$5,744	\$5,818	\$3,104	\$5,667

### Average subsidy/grant payments from July 2014 to December 2016

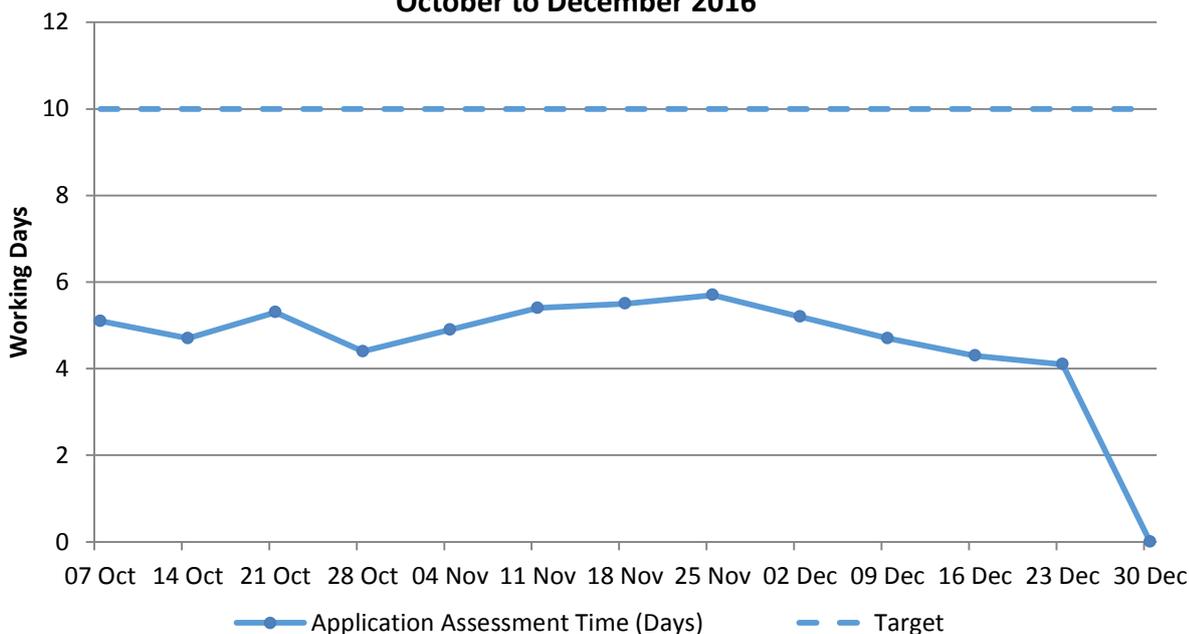
#### KiwiSaver deposit subsidy average amounts paid out from Jul 2014 to Mar 2015

	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015
Average (\$)	4,158	4,037	4,110	4,195	4,148	4,168	4,262	4,223	4,281

#### KiwiSaver HomeStart grant average amounts paid out from Apr 2015 to Dec 2016

	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016
Average (\$)	4,720	4,645	4,519	4,679	4,663	4,634	4,682	4,725	4,715	4,669	4,667	4,590
	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016			
Average (\$)	4,706	4,770	4,849	4,857	4,820	4,928	4,934	4,872	4,870			

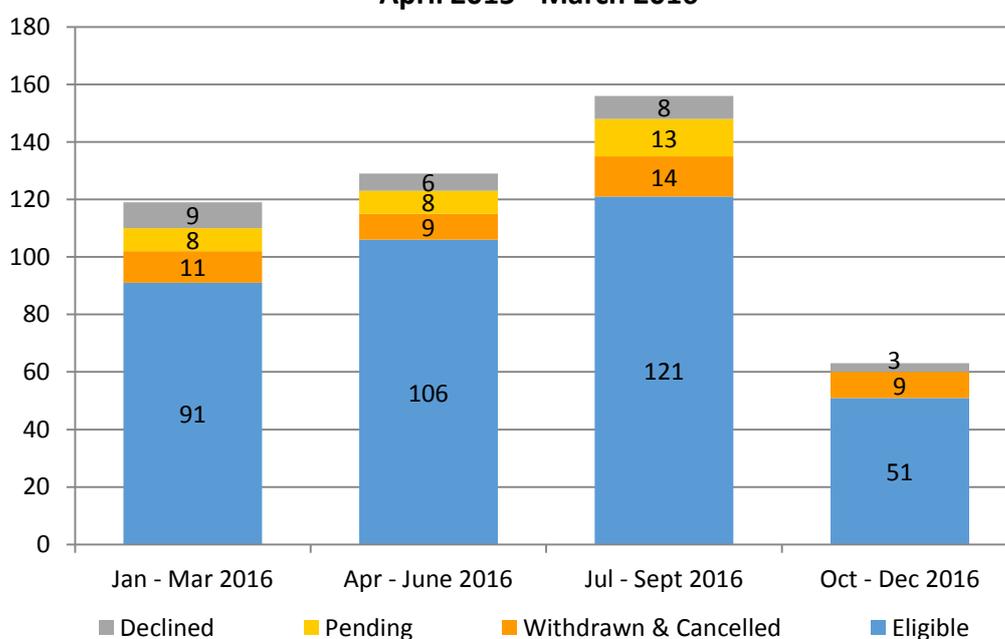
### KiwiSaver HomeStart Application Processing Time October to December 2016



## FirstHome Ownership Scheme

FirstHome properties are Housing New Zealand homes located in areas where changing demand has resulted in an over supply of some type of houses. These properties are made available to eligible first-home buyers. Eligible clients are then able to receive a grant of 10% of the purchase price of the FirstHome property, capped at a maximum of \$20,000. As Housing New Zealand is not currently offering any properties through its FirstHome Ownership Scheme, the number of FirstHome applications has significantly reduced in the latest quarter.

**FirstHome Applications  
April 2015 - March 2016**



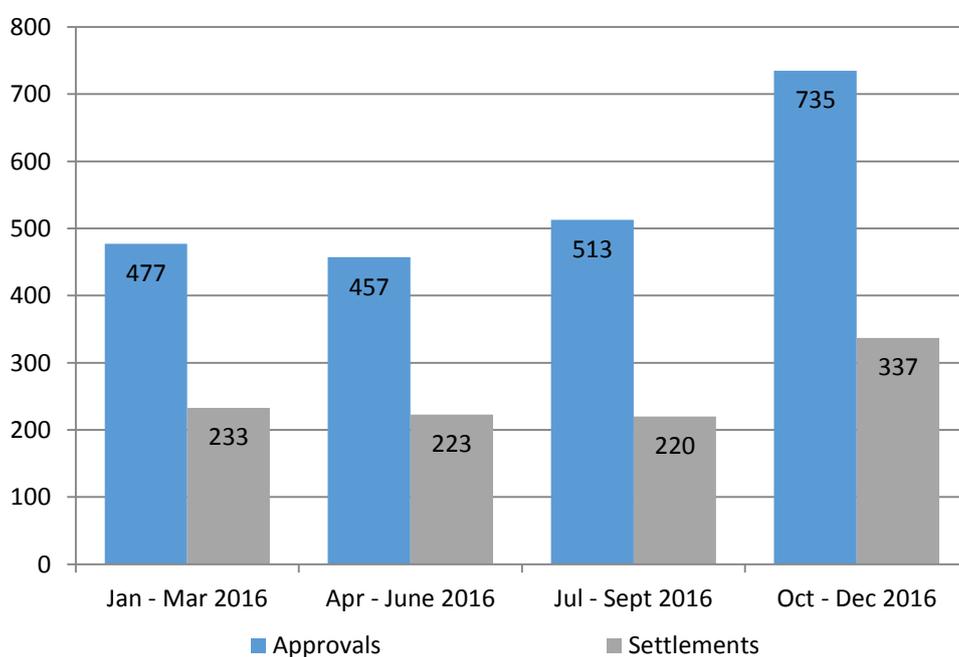
FirstHomes sold from October 2013 to 31 December 2016					
Awanui/Waharoa/Te Aroha	4	Kaiwaka/Kawakawa	6	Shannon	3
Balclutha	3	Levin	14	Stratford	7
Blenheim	5	Marton	5	Taihape	3
Bulls	3	Matamata	4	Taumarunui	15
Cheviot/Waiiau	2	Milton	2	Te Anau	1
Coopers Beach	1	Morrinsville	7	Te Kuiti	7
Cromwell	1	Napier	2	Thames	3
Dargaville	2	Nelson	1	Timaru/Geraldine	3
Dunedin	19	Netherton	1	Tokoroa	6
Edgecumbe	1	New Plymouth	1	Turangi	1
Eltham	3	Oamaru/Ranfurlly	6	Upper Hutt	7
Flaxmere	13	Okaihau	1	Waihi	1
Foxton	11	Opotiki	4	Waipawa	4
Gore	5	Opunake	3	Waipukurau	16
Greymouth	8	Otaki	2	Wairoa	8
Hastings	10	Otorohanga	10	Waverley	1
Havelock North	6	Putaruru	4	Wellington	3
Hawera/Manaia	13	Palmerston North	5	Westport/Ngakawau	12
Hokitika	1	Patea	8	Whakatane	1
Hunterville	1	Picton	1	Whanganui	85
Invercargill	15	Rangiora	3	Whangarei	3
Kaikohe/Kaitaia/Waimamaku	13	Rotorua	3	Whitianga	2
<b>Total</b>		<b>425</b>			

Sale Price of Settled Properties	\$47,849,000
Number of FirstHome Grants paid out	428
Value of Paid Grants	\$4,690,000
Grants Repaid	12
Value of Repaid Grants	\$51,967

## Welcome Home Loans

Welcome Home Loan is offered by lenders, supported by Housing New Zealand, and, designed for first-home buyers who can afford to make regular repayments on a home loan, but have trouble saving for a large deposit. With Welcome Home Loan you only need a 10 percent deposit, not a 20 percent deposit as required by most lenders. Housing New Zealand does not issue the loan. This is done through normal lenders such as selected banks and credit unions. Housing New Zealand underwrites the loan for the lender. Individual applicants are required to meet the lender's specific lending criteria. Income and House Price Caps apply.

**Welcome Home Loans - Approvals and Settlements**

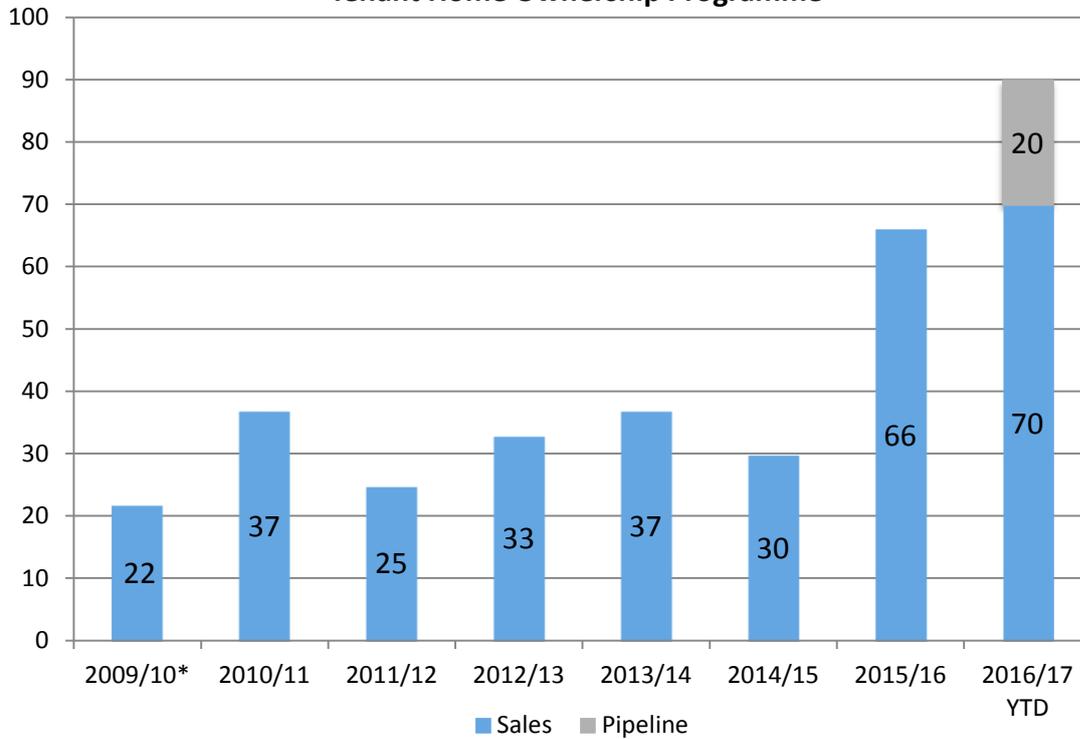


## Tenant Home Ownership

Housing New Zealand also offers its tenants the opportunity to purchase the house they rent. Not all properties are for sale, particularly in high-demand areas. However, tenants who live in houses that are not for sale but wish to buy a house will be given the option to buy other Housing New Zealand properties that have been identified as suitable for sale.

From 1 December 2015 Housing New Zealand made the FirstHome grant of 10 per cent of the purchase price, capped at \$20,000 available for eligible Housing New Zealand tenants who wish to buy their tenanted properties.

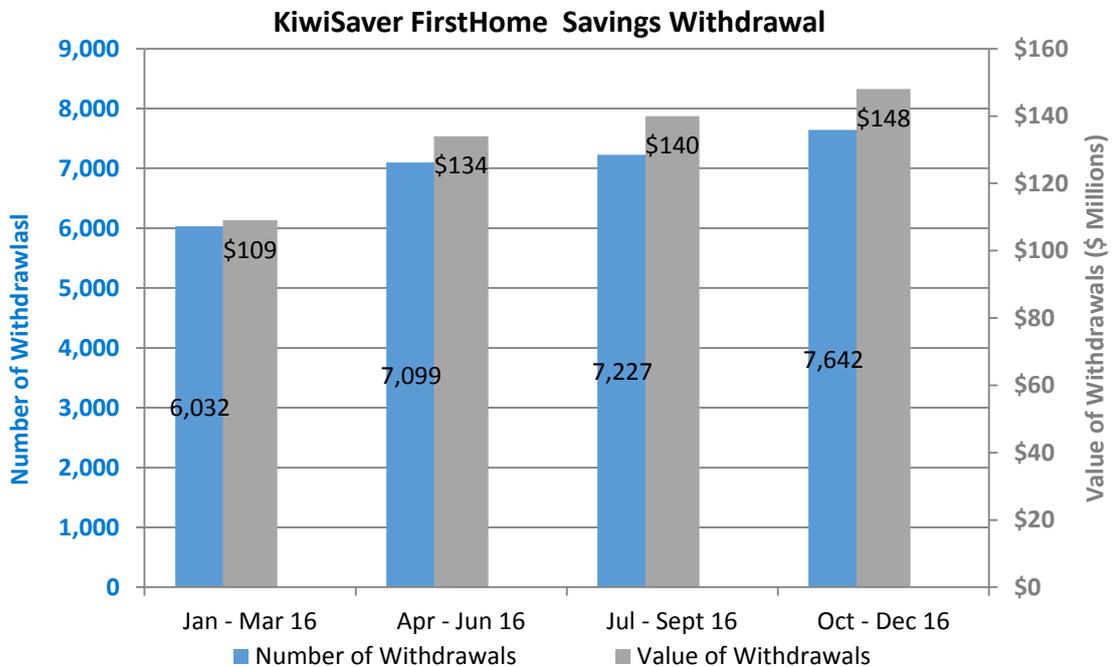
## Tenant Home Ownership Programme



\* The programme began in September 2009

## KiwiSaver First Home Savings Withdrawal

The KiwiSaver First Home Savings Withdrawal is administered by individual KiwiSaver scheme providers who report data on the withdrawals to Inland Revenue. Although Housing New Zealand does not administer this withdrawal, it forms part of the Government's programme of assistance for first home buyers.



## KiwiSaver Savings Withdrawal Determination for Previous Home Owners

First-home buyers are able to apply to withdraw all or part of their savings to assist with purchasing a first home. From 1 April 2015, all funds, with the exception of \$1,000, can be withdrawn.

Previous home owners may still be eligible for a KiwiSaver first-home withdrawal, providing they are deemed to be in the same financial position as someone who has never owned a property. This financial assessment is conducted by Housing New Zealand and should the client be eligible, a letter is produced to assist with their application to withdraw their contributions. The number of applications approved increased beginning with the July – September 2016 quarter following the removal of the income cap test on 1 July 2016.

