

GET A HELPING HAND WITH A

Kāinga Whenua Loan

A Kāinga Whenua Loan is available to individuals and collectives and can be used to build, purchase or relocate a house onto multiply-owned Māori land.



Whatungarongaro te tangata, toitū te whenua

People come
and go, the land
remains

A Kāinga Whenua Loan can give a helping hand for Māori to build, purchase or relocate a house on multiply-owned Māori land through a partnership between selected lenders and Kāinga Ora.

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Understanding this booklet

The Kāinga Whenua Loan application process has quite a few steps and different organisations involved in helping your application along. Different steps have points of contact who can help you if you have any questions on what you need for your application. A full list of organisations that can help you with your application can be found at the end of this booklet.

We know this is a complicated process, so if you need more help to understand the steps, please call Kāinga Ora on 0508 935 266.



Tip – Common terms

You can find definitions for commonly used terms throughout this booklet on [page 34](#).



What is a Kāinga Whenua Loan?

Kāinga Ora is working with Kiwibank to help Māori achieve home ownership on their multiply-owned Māori land.

There are many barriers for Māori accessing finance to build on their whenua. The Kāinga Whenua Loan is designed to remove some of these barriers and enable banks to support whānau Māori with their housing aspirations.

The Kāinga Whenua Loan is available to individuals and collectives and can be used to build, purchase or relocate a house onto multiply-owned Māori land.



What is multiply-owned Māori land?

Multiply-owned Māori land refers to Māori freehold land that has more than one owner. The land can be held in a trust by a Māori incorporation or by individual owners. An individual's level of ownership in the land is determined by their individual shares recorded by the Māori Land Court.



How does it work?

A Kāinga Whenua Loan provides the opportunity to build, purchase or relocate a house on multiply-owned Māori land. This tailored product empowers whānau to access finance without the risk of loss of whenua.

For a loan on general title land, banks take security over the house and the land. For a Kāinga Whenua Loan on multiply-owned Māori land, Kāinga Ora takes security over the house

but not the land. This means that, in the unlikely event there is a default on the loan, the house could be removed but the land would still be protected.

If you already have a house on multiply-owned Māori land, the loan can also be used for repairs and maintenance subject to conditions.

To access the loan, you must meet the affordability requirements of Kiwibank and the security requirements and build requirements of Kāinga Ora.





What can I use it for?

With a Kāinga Whenua Loan, the bank can lend funds to buy a house, relocate a house or purchase an offsite manufactured house or for renovations and maintenance on your current house subject to certain conditions.

A Kāinga Whenua Loan can be used for:

- a septic tank
- associated engineer's report
- a stormwater system
- a drainage system
- water supply/water tanks
- a driveway from the land block boundary road to the house site
- fencing for the house
- retaining walls
- surveying costs
- phone and power connections
- geotechnical reports
- valuation costs
- resource consents
- architectural costs
- building consents
- purchase of non-standard chattels
- legal fees associated with obtaining a Kāinga Whenua Loan such as fees for preparing and processing loan documents, reviewing supplier contracts or acting as an escrow agent.



A Kāinga Whenua Loan can't be used for:

- fencing the land block not directly related to the house
- legal fees not associated with the loan such as fees for employment issues, personal grievances or debt disputes
- commercial or industrial properties
- bridging loans, refinance and debt consolidation
- building a holiday home or batch
- non-residential housing, including unconsented cabins, caravans, house buses or portable tiny homes
- establishing or changing road access to the block, if your block is landlocked the cost of building the road, if an easement is granted across a neighbouring block.



What is an offsite manufactured house?

An offsite manufactured house is a house or components of a house that are built in a factory or workshop and then transported to the land where the house will be lived in (rather than built directly on the land). These houses are often pre-fabricated in sections or modules that are assembled on site. The idea is to streamline construction and improve quality by building in a controlled environment before moving the finished product to its permanent spot.

Understanding Kiwibank and Kāinga Ora requirements



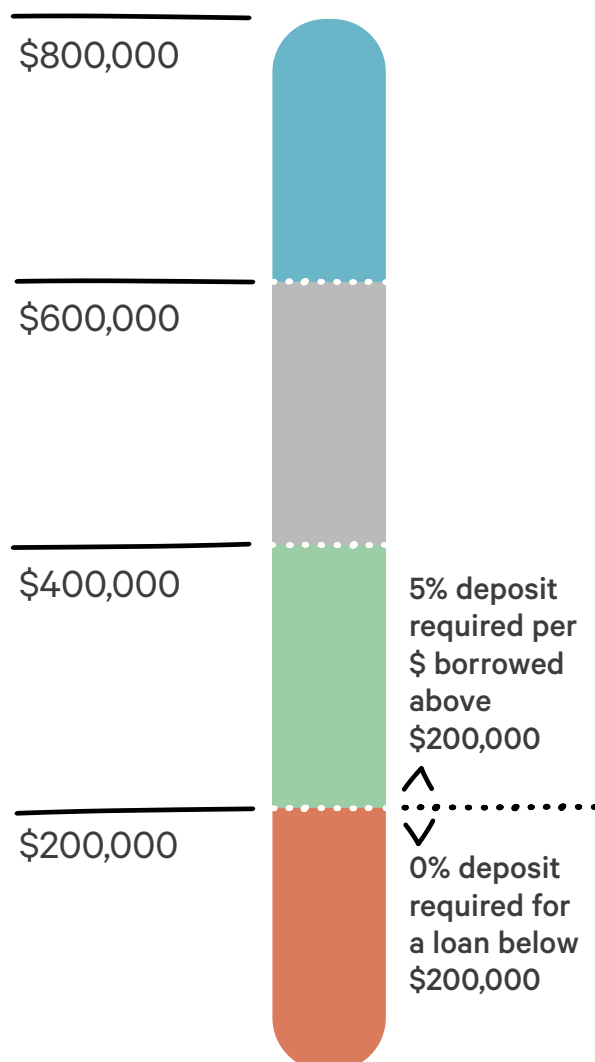
To access a Kāinga Whenua Loan, you must meet the affordability requirements of Kiwibank and the security requirements and build requirements of Kāinga Ora.



Affordability requirements

With a Kāinga Whenua Loan, what you can borrow is down to what you can afford, and what the plans for your house are. Market interest rates will apply to your loan, and you'll need to meet Kiwibank's affordability requirements. Most of these requirements are listed on the next page, and Kiwibank will let you know if there are any others to be aware of when you apply.

No deposit is required for a loan below \$200,000, but there is a deposit requirement of 5% for every dollar borrowed above \$200,000. For example, a \$400,000 loan would require a deposit of \$10,000.



What do I need to know before I apply?

- The land you intend to occupy must be multiply-owned Māori land.
- Your house must be your primary residence, not a holiday home.
- One borrower must live full-time in the house, but your entire whānau can contribute to the loan repayment.
- It's important you can access independent legal advice, preferably from a solicitor who understands Māori land and the Kāinga Whenua Loan process.
- If you are building a relocatable or offsite manufactured house your solicitor must have a trust account to enable an escrow arrangement.
- You need to be able to obtain land tenure that meets the security requirements of Kāinga Ora.
- The house you intend to build must meet the Kāinga Ora build requirements.
- Kiwibank interest rates and fees apply, in addition to a fee of 0.5% of the loan amount.
- If the land is looked after by a governance structure, you will need the details of the trustees or members of the committee of management or similar. Their names must match with those on the Māori Land Court and Land Information New Zealand records, and it can take some time to make any changes if there are spelling errors on the records or if trustees/committee members are added or removed from the governance structure.
- If the land isn't looked after by a governance structure, you will need the details of all landowners.

What will I need to apply?

- Proof of identity and address.
- Bank statements with your name from the past 6 months.
- Payslips from the past 6 months, or if you're self-employed, financial statements from your accountant.
- Bank statements showing your deposit or a written estimate from your KiwiSaver provider showing the amount you could withdraw.
- A list of your assets (e.g. property, cars, savings).
- A list of your debts (e.g. loans, credit cards or hire purchases) and expenses.
- Proof you have a deposit, and if it's a gift, a letter or certificate confirming it.
- Proof that you have been employed with your current employer for at least 12 months or, if not, you have been employed in the same industry for at least 24 months.
- Self-employment, contract and seasonal income may also be eligible, although some additional rules apply.



Tip – Can I use my KiwiSaver with a Kāinga Whenua Loan?

Yes. If you're purchasing a house, you can use your KiwiSaver savings straight away. However, if you're building, relocating or purchasing an offsite manufactured house, half of your KiwiSaver must be kept aside for the final build milestone. This is not always the case, so have a chat to your KiwiSaver provider about your options.



Security requirements

Most home loans involve the bank taking a mortgage over both the house and the land as security for the loan. A Kāinga Whenua Loan is secured only against the house, not against the land. Banks don't often make these types of arrangements, so Kāinga Ora steps in and underwrites the loan, guaranteeing it to Kiwibank.

To underwrite the loan, Kāinga Ora requires a contract called a Kāinga Whenua Agreement. This is entered into between the borrower, the owners of the land and Kāinga Ora.

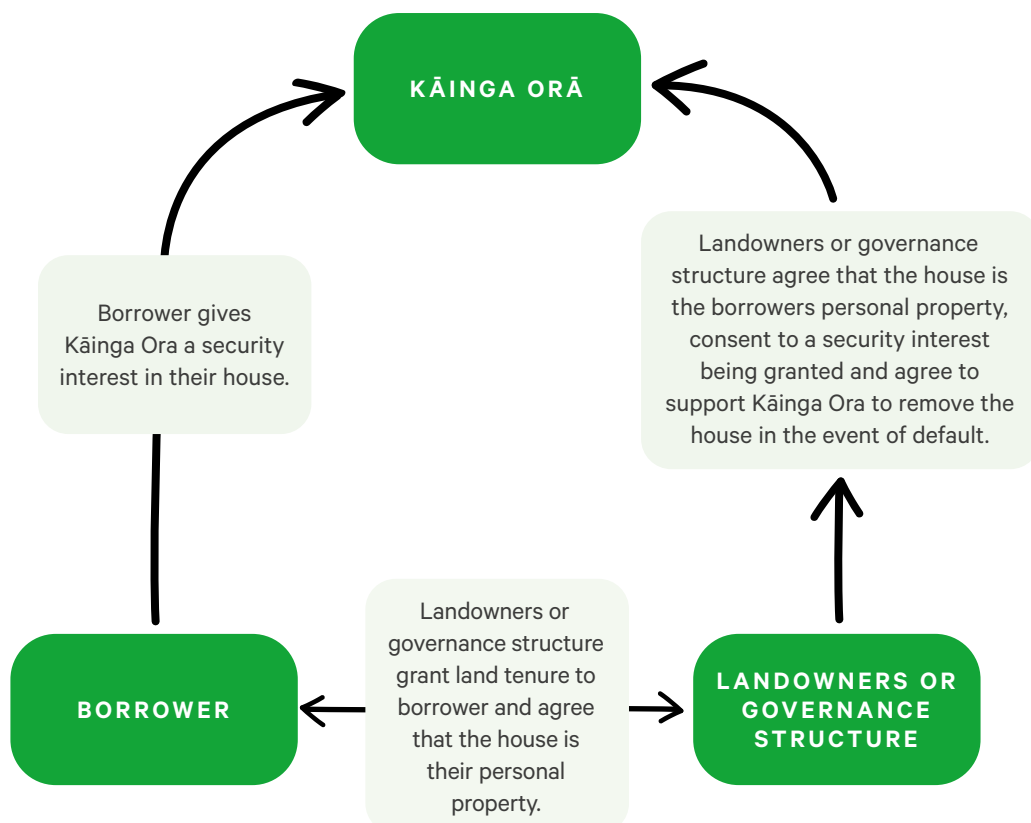
This agreement achieves three things: the borrower has appropriate land tenure and can occupy the land for the term of the loan, the parties agree the borrower owns their house as their personal property, and the borrower agrees to grant Kāinga Ora a security interest in that house.

This agreement ensures the landowners are comfortable with the borrowers occupying their whenua and owning their new house. It also makes sure Kāinga Ora has agreement from all parties that they can enter the land and remove the house in the unlikely event of default.

Are there different types of land tenure?

Land tenure is a formal agreement from the landowners that you can occupy the land for the duration of the loan. This can take the form of a licence to occupy or a lease. Both must meet the Kāinga Ora security requirements. Kāinga Ora does not accept an occupation order as a form of land tenure.

Kāinga Whenua Agreement



How do I get formal agreement from the landowners on my land tenure?

You need formal agreement from the landowners to your intended land tenure. They need to sign either a licence to occupy or a lease. These agreements will need to be either confirmed or noted by the Māori Land Court. If you have an existing land tenure that has already been noted or confirmed by the Māori Land Court, please contact Kāinga Ora to check that it meets its security requirements. Kāinga Ora has a licence to occupy template that is available to all applicants. More information is on [page 12](#).

Who needs to sign the Kāinga Whenua Agreement?

Some whenua or land blocks have set up governance structures to hold and manage that land for the owners. These are often trusts or Māori incorporations with representatives such as trustees. These representatives must agree to your intended land tenure and sign the Kāinga Whenua Agreement. They can only do so if they are comfortable that it's consistent with the goals of the other owners they represent and it's allowed by their trust deed, constitution, founding documents or similar.

Other land blocks don't have governance structures in place and there can be hundreds of owners of a single block. To get more information on how landowners can grant valid land tenure and enter into a Kāinga Whenua Agreement when your block doesn't have a governance structure, please contact the Māori Land Court.

If I'm occupying the land with my whānau or partner, do we all need land tenure?

Not everyone needs to be named on the land tenure documents to help contribute to the loan. However, if your partner or whānau plan on using their KiwiSaver to contribute to the house costs, they do need to be named.



Build requirements

Under the Kāinga Whenua Agreement, the borrower grants a security interest in the house to Kāinga Ora. To be able to do this, the house needs to be the borrower's personal property and not part of the land. To be personal property, the house needs to be designed so it can be physically removed from the land.

To ensure the house is removable, it must:

- ☐ be built on piles
- ☐ be one storey (so it can fit on the back of a truck and under power lines)
- ☐ be of at least 50 square metres
- ☐ have a water tank that meets local body requirements if water is supplied by a tank
- ☐ be located on the mainland of either the North Island or South Island
- ☐ have reasonable road access.

Navigating the Kāinga Whenua Loan application process

The process for occupying multiply-owned Māori land can be long and complex, with steps that might not always happen in order. If you have questions about the timeline, call Kāinga Ora on 0508 935 266.



Planning

Getting ready, talking to whānau and collecting information.



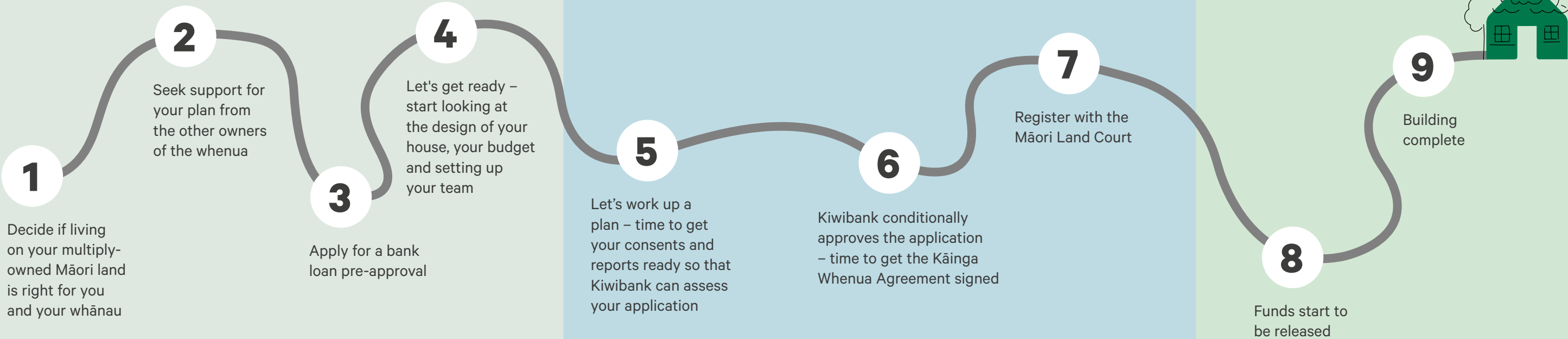
Pre-construction

This is where borrowers start to spend their money and get things in order. It's important to tick all the boxes and check all the details.



Construction

This is where funds are released and the build starts.



1.

Decide if living on your multiply-owned Māori land is right for you and your whānau

A home loan is likely to be the biggest financial commitment you will ever make. It's important to investigate and understand your options before you take out a home loan.

Kāinga Whenua Loans are generally used as construction loans. This can mean more control and flexibility with the design of your house but can also be a long and expensive process.

When deciding, it's important to get your whānau on the same page from the start to minimise delays and risks to your build. This includes ensuring that everyone agrees on the goals and use of the whenua.

Have a look at **Te Puni Kōkiri website** for more information on how to decide if building on your whenua is right for you and your whānau.

What do I need to understand about my whenua?

You will need to check that the ownership information is up to date on your whenua before progressing your application. The Māori Land Court can provide information on the ownership information of your whenua.

If the names of the trustees, committee of management members or landowners listed on the records of title have changed or do not match those on their ID, you'll need to apply to the Māori Land Court and Land Information New Zealand to correct this information before you proceed with your application. If these details need updating, contact the Māori Land Court and seek advice on the process to update the ownership records for your whenua.



Contact your local Māori Land Court for assistance at maorilandcourt.govt.nz or visit Pātaka Whenua at maorilandonline.govt.nz

2.

Seek support for your plan from the other owners of the whenua

To live on your multiply-owned Māori land, you will need the agreement of the owners of the whenua. They will need to be willing to sign the Kāinga Whenua Agreement, including a licence to occupy, or lease that meets the security requirements of Kāinga Ora.

For this step you don't need the owners to sign the agreement, but it's good to find out who the owners are and if the whenua is looked

after by a governance structure like a trust or a Māori incorporation.

Then you can start a conversation about how they'd like to look after the whenua, what other houses might sit on the whenua, what your house plans are and if they might be supportive.

Kāinga Ora has a licence to occupy template that meets its security requirements and is available on the Kāinga Ora website. If you have any questions, please get in contact with Kāinga Ora on 0508 935 266.



How do I find out who the landowners are and if there is a governance structure?

Contact the Māori Land Court. They hold ownership records that identify individual owners and governance structures that look after the whenua.

What if the whenua isn't looked after by a governance structure?

If the whenua isn't looked after by a governance structure, you'll require agreement from all landowners to grant you land tenure.

If one person says no, you will need to talk to the Māori Land Court about your options. These can include setting up a governance structure to represent the whenua or arranging a hui for the owners to vote on granting you land tenure and entering into a Kāinga Whenua Agreement. You should talk to the Māori Land Court on your options and get legal advice as a first step.

Without the landowners' agreement, you will not be able to secure a Kāinga Whenua Loan. This can be a lengthy process (especially when there are numerous trustees, members of the committee of management, or individual owners).

What if the whenua is looked after by a governance structure?

If there is a governance structure in place to look after the whenua, this will likely be a trust or a Māori incorporation. You will need to obtain the agreement of the trustees or committee of management to sign off on your land tenure. Usually, this will be a licence to occupy, but it can also be a lease.

What if I have already organised land tenure?

If you have an existing lease or licence to occupy, contact Kāinga Ora to make sure that it meets our security requirements. Any forms of land tenure that don't meet the security requirements of Kāinga Ora will not be accepted. It's also important to make sure this is in place before you start obtaining land tenure.

3.

Apply for a bank loan pre-approval

With a Kāinga Whenua Loan, what you can borrow is down to what you can afford and how much do you need to borrow to purchase, build or relocate your house.

Kāinga Whenua Loans are provided by Kiwibank. You will need to apply directly to Kiwibank to see if you meet the affordability requirements.

This involves completing a home loan application form, submitting it to Kiwibank and then receiving a pre-approval confirmation letter from Kiwibank.

A pre-approval confirms that you meet the affordability requirements and tells you how much Kiwibank will lend you.

The pre-approval will be valid for 12 months.

In that time, you can start to prepare for final loan approval. This includes getting together your house plans, support from your whānau and landowners and your budget and legal documents.

If this takes longer than expected, you will need to ask Kiwibank to extend the pre-approval for another 12 months. To do this, Kiwibank will need you to confirm that your circumstances have not changed since your original application.



Contact

Kiwibank Home Loans Customer Service Line
at **0800 272 278**

4.

Let's get ready!

Once you are comfortable that you will have the support of the landowners for your land tenure and have an idea from Kiwibank on how much money you have in your budget, you will need to ensure that your house will meet your needs as well as the build requirements of a Kāinga Whenua Loan. It's time to start looking at the design of your house, your budget, setting up your team and getting insurance.

Design

Talk to a planner at your local council for advice and guidance around the regulations for building in your area. This will impact the design of your house and its location on the whenua. Figure out what kind of house you and your whānau would need and get in touch with different suppliers. It's important to talk to a few different suppliers and get a good range of quotes.

What is a supplier?

Suppliers can include sellers, builders, offsite manufacturers or building developers. For a Kāinga Whenua Loan new build, you must have one head supplier, and for a relocatable or offsite manufactured house, you are permitted to have additional suppliers at the agreement of Kāinga Ora to help with transporting the house.

Are you buying an existing house?

Check out what is available on the whenua and if it meets the Kāinga Whenua Loan build requirements.

Are you building?

Talk to a building company about what you want to build, what consents you'll need and what the access is like to your whenua.

Are you relocating a house onto the whenua?

Have a look at what houses are available to relocate close to your whenua. These could be through relocatable suppliers or your whānau. Don't forget to check if the house you have your eye on meets the Kāinga Ora build requirements before you start thinking about how to transport it to your whenua.

Relocating a house is a shorter process than a new build, but all the regulations remain the same. Relocation costs can vary. Site access, house dimensions and pile depth all need to be considered. Access and roading are also key considerations.

Are you building an offsite manufactured house?

Talk to an offsite manufacturer and understand what type of offsite manufactured house would suit your whānau and your whenua. Some offsite manufactured houses are built in sections and then assembled as a whole house on site. Others are constructed in a factory and delivered on a truck. Each arrangement will have different considerations and must meet the Kāinga Ora build requirements.

4.

Budget

Once you have decided on the type of house and your supplier, you'll need to start looking at your budget. Your contractor will need to provide you with an itemised quote that meets Kiwibank's lending criteria and fits within your pre-approval amount.

Whether you're building a new house or an offsite manufactured house or relocating a house, you'll begin paying interest at a floating rate from your first loan drawdown. Once your house is completed, you'll start paying both principal and interest, with the option to switch to a fixed rate if it better suits your whānau.

If you're building or relocating a house, your budget will need to consider your construction and pre-construction costs. To get your loan fully approved, you'll need to cover a range of pre-construction costs upfront from your savings, in addition to maintaining your deposit.

Once your loan has been approved, talk to Kiwibank about recovering your pre-construction costs. From your first drawdown you can start using your deposit and paying your suppliers.

Learn more at [Step 5](#).

What should I consider in my budget?

You'll need to think about putting money aside on top of your deposit to cover your pre-construction costs, and you'll need to understand the full picture of what your construction costs might be alongside your interest payment for your loan. Kāinga Ora requires that your budget has 10% contingency amount built into it or 5% if you have a Master Build Guarantee.

What is a contingency?

Construction loans require that a contingency sum is built into the loan amount approved to ensure funds are available if there are any cost overruns. This contingency (10% or 5% if a Master Build Guarantee is provided) is added to the quote provided by the builder. This higher amount is the amount the bank will use in their approval assessment.

4.

Build your team

Once you've sorted your design and budget, you'll need to build your team, and get some agreements set up with your suppliers and have your solicitor look over them. It's important to get independent legal advice on your contracts from a reputable solicitor, preferably one that is familiar with the Kāinga Whenua Loan process.

For a Kāinga Whenua Loan new build, you must have one head supplier. For a relocatable or offsite manufactured house you are permitted to have additional suppliers at the agreement of Kāinga Ora. This is because there may be different companies that look after transporting the house and setting it up on the whenua.

If you're buying a house, it will be a sale and purchase agreement, if you're building, it will be a build contract, and if it's a relocatable or offsite manufactured house, it will likely be a house supply agreement.

You may also have a separate contract with a house moving supplier, responsible for relocating the house to the site or transporting the offsite manufactured house to the site.

If you're purchasing a relocatable house or contracting an offsite manufactured house, get in touch with your solicitor and make sure you can set up an escrow arrangement with your solicitor's trust account.

What's in a build contract?

A build contract is an agreement that outlines what the builder will supply and do to construct the house and what the homeowner will pay for those supplies and services. The contract doesn't usually cover chattels such as a letterbox, bath, curtains and whiteware. It's good to check through this contract to see what is and isn't included.

What's in a house supply agreement?

A house supply agreement is similar to a build contract, but in the case of offsite manufactured and relocatable houses it will include the physical supply of the house. It will also include a range of different build milestones. Upon completion of each milestone, funds will be released to the supplier. For more information on what your milestones might look like, have a look at [pages 19 to 22](#).

Your house supply agreement is set between you and your builder but must meet Kāinga Ora security requirements.

4.

What is an escrow arrangement?

An escrow arrangement is used when your house is being manufactured offsite or purchased offsite and transported onto the whenua. The escrow agent (the borrower's solicitor) holds the Kāinga Whenua Loan funds in their trust account for the supplier until the house is placed on the whenua. Through this arrangement, the supplier can see that the money is sitting in the trust account waiting for them to complete their build milestones. They have certainty that the money will be released once the agreed build milestones are completed and the house is placed on the land.

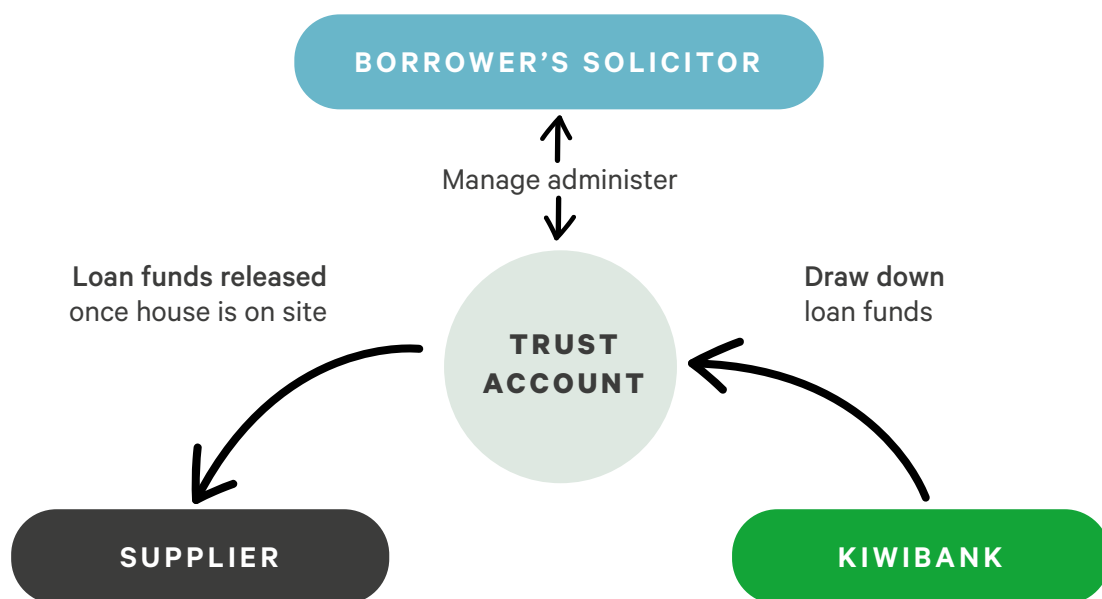
Why do I need an escrow arrangement?

Because a Kāinga Whenua Loan security is placed over the house and not the land. This is helpful for borrowers as it allows them to gain finance on multiply-owned Māori land. But it also means that Kāinga Ora doesn't have its security in place until the house is placed on the land. So until then, funds can't be released to the supplier.

When will the supplier be paid?

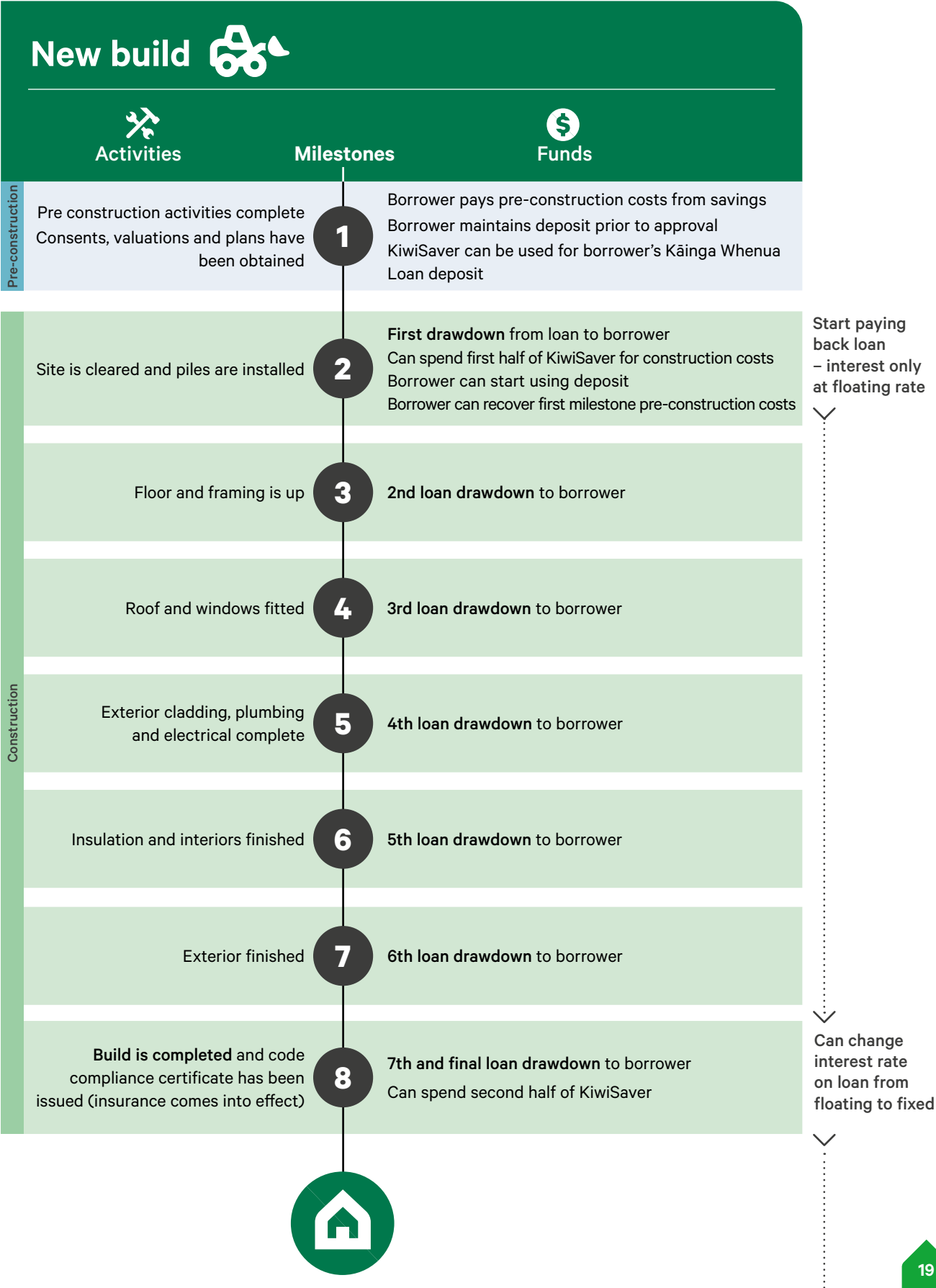
An escrow arrangement might not work for all suppliers as the funds are only released when the house is placed on site. Before entering into a house supply agreement, talk to your supplier about how it works, what the milestones are and when they will be paid. Once the house is placed on site, the rest of the loan will work like a normal construction loan and the supplier will be paid directly at each milestone.

Escrow arrangement



Milestones

Each application will be different and milestones can vary depending on the type of house you build. Below are some examples of what these milestones could look like.



Relocatable house



Activities

Milestones



Funds

Pre-construction

Pre construction activities complete
Consents, valuations and plans have
been obtained

1

Borrower pays pre-construction costs from savings
Borrower maintains deposit prior to approval
KiwiSaver can be used for borrower's Kāinga Whenua
Loan deposit

Construction

Site is cleared and piles are installed

2

1st drawdown into trust account
Supplier(s) will be able to see money in trust account
First half of KiwiSaver can be used
Borrower can start using deposit
Borrower can recover pre-construction costs

House is moved to site

3

2nd loan drawdown into trust account
Supplier(s) will be able to see money in trust account

House is installed on site

4

3rd loan drawdown directly to borrower
Loan drawdowns 1–3 released from trust account
to borrower and supplier(s)
Borrower can recover first milestone
pre-construction costs

Services have been connected to
House

5

4th loan drawdown directly to borrower

Build is completed and code
compliance certificate has been
issued (insurance comes into effect)

6

5th loan drawdown directly to borrower
Second half of KiwiSaver can be used for last milestone
Start paying loan principal and interest

Start paying
back loan
– interest only
at floating rate

Can change
interest rate
on loan from
floating to fixed



Offsite manufactured house



Activities

Milestones



Funds

Pre-construction

Pre construction activities complete
Consents, valuations and plans have been obtained
Offsite manufacturing supplier may require a partial deposit for house plans

1

Borrower pays pre-construction costs from savings
Borrower maintains deposit prior to approval
KiwiSaver can be used for borrower's Kāinga Whenua Loan deposit

Construction

Construction begins
Offsite manufacturing supplier may require a deposit

2

1st drawdown into trust account
Supplier(s) will be able to see money in trust account
Can spend first half of KiwiSaver
Borrower to use Kāinga Whenua Loan deposit for offsite manufactured house deposit

25% of the offsite manufactured house is completed

3

2nd loan drawdown into trust account
Supplier(s) will be able to see money in trust account

50% of the offsite manufactured house is completed

4

3rd loan drawdown into trust account
Money is released from trust account to appropriate supplier(s)

75% of the offsite manufactured house is completed

5

4th loan drawdown into trust account
Supplier(s) will be able to see money in trust account

100% of the offsite manufactured house is completed ready to move to site

6

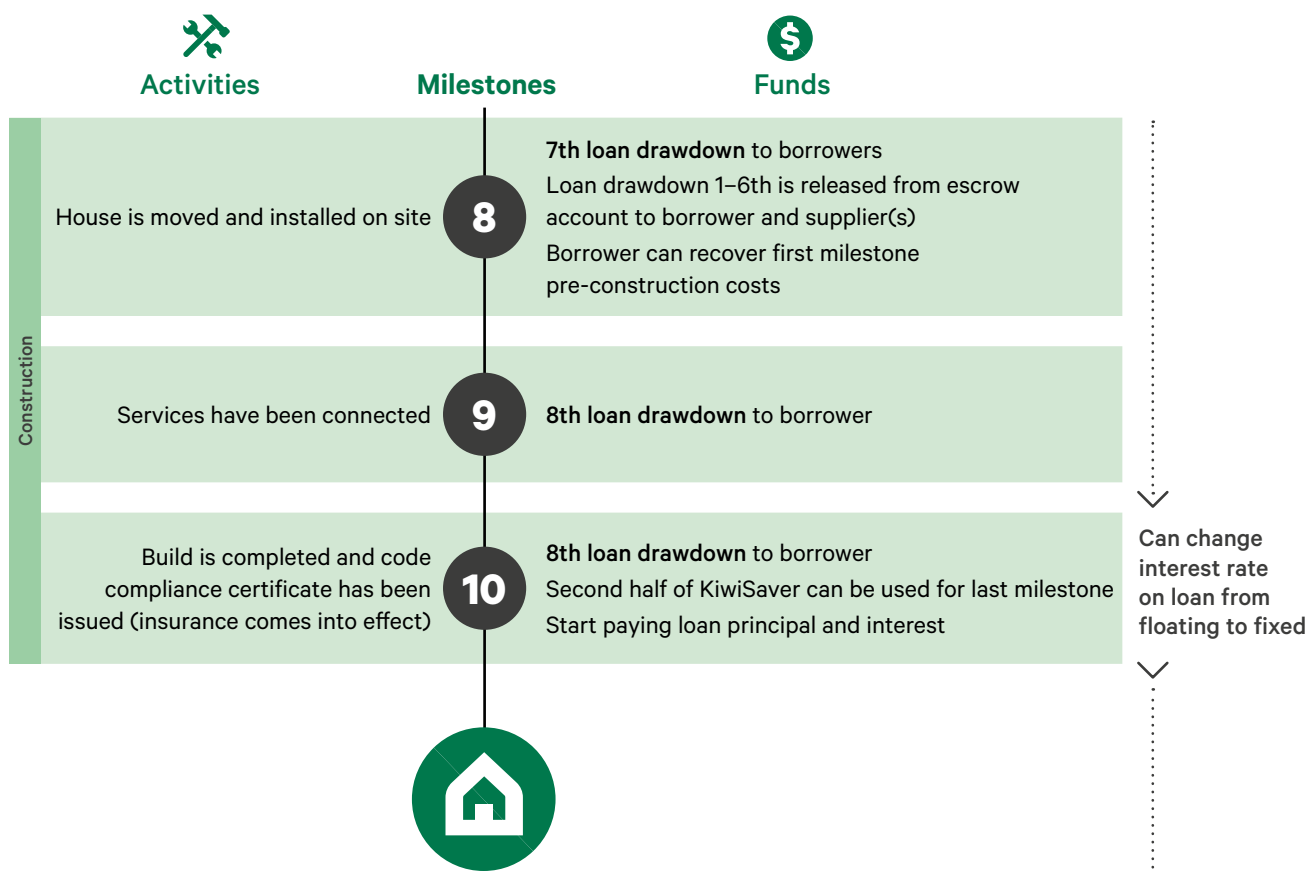
5th loan drawdown into trust account
Supplier(s) will be able to see money in trust account

Site is cleared and piles are prepared

7

6th loan drawdown into trust account
Money is released from trust account to appropriate supplier(s)

Start paying back loan – interest only at floating rate



When can I start to use my deposit?

Your savings will go towards your pre-construction costs, and once your application has been approved, your deposit can then go towards recovering your pre-construction costs and towards the construction costs (from milestone 2 on). Once your deposit has been used up, the loan drawdowns will go into escrow in your solicitor's trust account. Your supplier can see the money in the escrow trust account that has been earmarked for them, they will have some certainty that the money is coming to them and will have a guarantee that there are funds available to pay them for the following milestones once the house is installed on the site.

5.

Let's work up a plan

Once you've got an idea of your house design and your budget and your contracts are drafted, you need to get some things in place for Kiwibank – this will ensure your application meets the affordability requirements and the build requirements.

After talking to your local council and a planner, you should have a clear understanding of your build options and the requirements you need to meet under your district plan.

These requirements can vary depending on the type of house you're building.



For a new build, these requirements can include:

- a finalised build contract with a licensed building practitioner
- your builder's details, including confirmation they have risk insurance
- an itemised quote provided by the contractor that meets the bank's lending criteria and fits within your pre-approval amount
- building plans
- a registered valuer's report or a detailed estimate of the total building, material and labour costs provided by a qualified quantity surveyor
- all consents required by local body authorities
- a house insurance confirmation for when you move in
- a site plan (a map of the land that shows where you have permission to build).



Contact your Local District or Regional Council for more info.

5.



For a relocatable house, these requirements can include:

- a house supply agreement with a licensed building practitioner
- a transport contract with an experienced housing relocation supplier
- a contract with a licensed building practitioner who will install the house on the site and connect it to services
- an itemised quote provided by the contractor that meets the bank's lending criteria and fits within your pre-approval amount
- a registered valuer's report or a detailed estimate of the total building, material and labour costs provided by a qualified quantity surveyor
- a site plan (a map of the land that shows where you have permission to build)
- all consents required by local body authorities, including a transit consent
- transit insurance covering moving the house to site
- a house insurance confirmation for when you move in
- your builder's details, including confirmation they have risk insurance.



For an offsite manufactured house, these requirements can include:

- a house supply agreement with a licensed building practitioner
- a house supply agreement with an experienced offsite manufacturing supplier
- a contract with a licensed building practitioner who will install the house on the site and connect it to services
- an itemised quote that meets the bank's lending criteria and fits within your pre-approval amount
- a registered valuer's report or a detailed estimate of the total building, material and labour costs provided by a qualified quantity surveyor
- a site plan (a map of the land that shows where you'll be building or placing your house)
- all consents required by local body authorities, including a transit consent (if required)
- transit insurance covering moving the house to site
- a house insurance confirmation for when you move in
- your builder's details, including confirmation they have risk insurance.

5.

Why do I need a valuation or estimate?

The purpose of a valuation or estimate is to ensure that the costs quoted by your suppliers are fair.

This will ensure correct specifications and build quality and that, once the build is completed, it will be worth what you have paid for it.

How does it work?

You will need to get a valuation or estimate before the build starts from either a registered valuer or a quantity surveyor. The best way to do this is by getting a valuation or an estimate based on your build plan. The valuation or estimate will only be based on the value of the house and any improvements made to it, not the land.

Get in touch with Kāinga Ora if you have any questions about how this process works or how to get in contact with valuers experienced in dealing with multiply-owned Māori land.

The valuation or estimate must:

- ☐ be completed by a registered valuer
- ☐ be addressed to Kiwibank and Kāinga Ora
- ☐ be no more than 3 months old at time of application
- ☐ specify that the property has been built on piles
- ☐ include a site plan that clearly identifies the location of the house on the land.



5.

What consents and reports might I need?

Have a chat to your supplier and your local council about the consents and reports required for your build or relocation. These might include:

- a building consent
- a resource consent (if required by your local or regional council, it will have a range of reports that will be a requirement of a resource consent)
- a transit consent (if a relocatable or offsite manufactured house)
- a traffic impact assessment (if required by your local council)
- a resource consent to install stormwater and, drainage systems, water supply or a water tank
- a resource consent to connect power and telecommunications to the house
- a resource consent to install a septic tank and associated engineer's report
- a geotechnical report
- a consent for laying a driveway
- a site survey
- a Hazardous Activities and Industries List (HAIL) assessment report
- a cultural impact assessment (this will depend on your local council and their requirements)
- an archaeological assessment.

What happens to all these documents?

These documents form part of your loan application and are assessed by Kiwibank and Kāinga Ora against the affordability requirements, the build requirements and the security requirements.



Contact your local or regional council for more info.

6.

Kiwibank conditionally approves the application – time to get the Kāinga Whenua Agreement signed

Once Kiwibank has conditionally approved your application, you need to make sure the Kāinga Whenua Agreement has been signed by all parties and reviewed by your solicitor. Before your loan can be drawn down, you must also make sure you meet the security requirements.

This agreement has two components: the borrower has land tenure and the house is their personal property to occupy for the duration of the loan, and the borrower gives Kāinga Ora a security interest in the house.

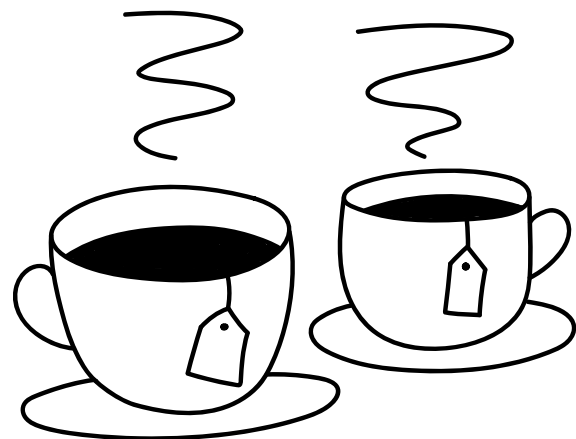
If you are entering into an escrow arrangement with your suppliers, your solicitor will need to finalise the details in the escrow agreement, making sure that the house supply agreement is all in order and the escrow agreement has been signed by the borrower and the suppliers.

Kāinga Ora will generate the Kāinga Whenua Agreement and associated security documents and send them to your solicitor. You and your solicitor are responsible for having the agreement signed by the landowners and registered or noted with the Māori Land Court.

The Māori Land Court's title information must match up with the Land Information New Zealand records and the identification of the trustees, members of the committee of management or landowners signing the Kāinga Whenua Agreement. If the information does not match, the Māori Land Court may decline to register your land tenure.

What do I do if the information on the title doesn't match what is provided to Kāinga Ora?

If there has been a change of names on the title, a misspelling on the title, a change of registered name of a trust or incorporation, a change of trustees, a transfer of title, or succession of title you must contact both the Māori Land Court and Land Information New Zealand to correct this. In some cases, the landowners' trust deed or constitution will allow for a majority to approve your occupation, and in that instance, you may only need a portion of your trustees or members of the committee of management to sign the Kāinga Whenua Agreement.



6.

What other security documents will my solicitor receive?

Your solicitor will receive:

- a Kāinga Ora letter of instructions explaining what they need to do to execute a Kāinga Whenua Loan for Kāinga Ora
- a Kiwibank letter of instruction explaining what they need to do to execute a Kāinga Whenua Loan for Kiwibank
- a certificate to be completed by them and returned to Kāinga Ora confirming they have followed the appropriate steps and that the builder has risk insurance
- a Kāinga Whenua Agreement where all parties confirm they are happy with your land tenure and that you give Kāinga Ora a security interest in the house as it is your personal property
- a Kiwibank loan agreement detailing how much you're borrowing, the term of the loan, the structure conditions and other terms and conditions
- an escrow agreement setting out the drawdown milestones and signed by the suppliers that will be able to see the escrow account.

Who is included in all parties?

- All the landowners or all members of the governance structure looking after the whenua such as the trustees or the members of the committee of Management.
- The borrower (you).
- Kāinga Ora.



Contact Kāinga Ora at on **0508 935 266** if you have any questions

7.

Register with the Māori Land Court

Once the Kāinga Whenua Agreement has been signed, your solicitor must get in contact with the Māori Land Court to make these applications:

- An order to register that the house is your personal property. This will go before a judge, and Kāinga Ora requires a confirmation that your application has been lodged.
- Noting or confirmation of the Kāinga Whenua Agreement including your land tenure (either a licence to occupy or a lease). Your solicitor will then issue Kāinga Ora a certificate confirming this is complete and Kāinga Ora will authorise Kiwibank to make the funds available to you or your solicitor.

How long does it take to get an order confirming the house is my personal property?

This application needs to be considered by a judge, so it can take some time. However, if your solicitor can confirm that the application for the order has been received by the Māori Land Court, that confirmation is enough for Kāinga Ora to authorise Kiwibank to make the funds available.

What's the difference between noting and confirming?

Te Ture Whenua Maori Act 1993 requires that certain activities dealing with whenua Māori (such as granting a lease or licence to occupy) need to be either noted or confirmed by the Māori Land Court.

Noting involves a registrar of the Court recording the transaction on the Māori Land Court's memorial schedules for the land. Confirmation involves a closer assessment of the transaction. Each whānau situation and whenua is different. Your solicitor and the Māori Land Court will ensure that the correct processes are applied.

When are funds released?

Confirming or noting your Kāinga Whenua Agreement and land tenure is done through the Māori Land Court offices. Once the application has been submitted, your solicitor will confirm this with Kāinga Ora, and Kāinga Ora will authorise Kiwibank to make the funds available.



Contact your local Māori Land Court for assistance at www.maorilandcourt.govt.nz

8.

Funds start to be released

Once the legal steps are completed, funds can start to be released.

If you're buying your house on site, you can pay for it and start moving in. If you're building or relocating, you can start the process with your builder or supplier.

The work milestones in your agreements will match up with when you can draw down funds from the bank to pay your suppliers. For construction loans, fund drawdowns will be on the basis of cost to complete.

What is cost to complete?

In a construction loan, cost to complete refers to an assessment of how much money is still needed to finish the construction project. This process involves reviewing the current stage of the project, estimating the remaining work and ensuring that there are enough funds left in the loan to cover all the costs required to complete construction. Kiwibank uses this process to make sure the project stays on budget and that the loan amount is enough to finish the build.

This means there must always be enough money retained by the bank to complete the building of the house according to the agreed plan and to obtain a final code compliance certificate from the council.

When do I need to start repaying my loan?

You'll need to start repaying the interest on your loan from your first drawdown. For a construction loan, you will pay a floating interest rate until your build is completed. Once completed, you will be able to fix your interest rate, and you'll start paying off both principal and interest.

When can I use my KiwiSaver?

If you're purchasing a house, you can use your KiwiSaver savings straight away. However, if you're building, relocating or purchasing an offsite manufactured house, half of your KiwiSaver must be kept aside for the final build milestone. This is not always the case, so have a chat to your KiwiSaver provider about your options.

When do my suppliers get paid?

For a new build, your suppliers will get paid at the agreed milestones in your build contract. You will submit your invoices to Kiwibank, and they will release the funds to you or your suppliers.

For a relocatable or offsite manufactured house arrangement, the funds will be released into your lawyer's trust account until your house is placed on site. Your suppliers will be able to see the money going into the trust account, and once the house has been placed on site, the funds will be released to them. Once the house is on site, the rest of the build will be like a normal construction loan, and suppliers will be paid at the agreed remaining milestones laid out in your contracts.

What does Kiwibank need to see to release the funds?

When you draw down funds, Kiwibank will need to see:

- ☐ invoices for the building work
- ☐ certification that the work being invoiced has been completed.

9.

Building complete

Before the final drawdown, your builder will provide a certificate of practical completion.

Within 6 months of completion, your solicitor must provide a final code compliance certificate from the local council to confirm that your house complies with all local bylaws and the New Zealand Building Code.

Once the building is complete, you can move in. Congratulations, you now have your own whare on your multiply-owned Māori land.

When can I move in?

Once building is complete, your local council will check everything is order and issue a code compliance certificate. Once that is issued, your insurance will kick in and you can move in to your new whare.

Who do I talk to if I'm having trouble with my loan repayments?

Kiwibank will work with you to avoid this. However, if you do fail to repay your home loan, Kāinga Ora will work through a process to remove the house off the whenua and sell it. The whenua will remain in the hands of the landowners, and you will need to work with Kāinga Ora to repay any outstanding amounts that could not be repaid from the sale of the house.

If you are having trouble with your loan repayments, get in touch with Kiwibank early so they can work with you on a solution.



Contact

Kiwibank Home Loans Customer Service
Line at **0800 272 278**



Where to find out more



If you would like to start an application or find out more about the Kāinga Whenua Loan:

Visit

kaingaora.govt.nz/kaingawhenua

Email

kaingawhenua.enquiries@kaingaora.govt.nz

Call

0508 935 266

To learn more about home ownership requirements and other products and programmes, you can also visit **kaingaora.govt.nz/home-ownership**



Helpful contacts

Kiwibank

All Kāinga Whenua Loan applications are made through Kiwibank. They are responsible for making the lending decision and providing the finance for a Kāinga Whenua Loan. Your main point of contact for your application will be with Kiwibank.

To contact Kiwibank, please call the Home Loans Customer Service Line on 0800 272 278.

Kāinga Ora

Kāinga Ora guarantees the Kāinga Whenua Loan for Kiwibank, reducing the risk to the lender, and making it possible for borrowers to access finance on their whenua.

Kāinga Ora doesn't make lending decisions but has expertise to share on the Kāinga Whenua Loan process.

To find out how Kāinga Ora can help, call 0508 935 266.

Helpful contacts

Te Puni Kōkiri

Te Puni Kōkiri has a huge range of resources and expert advice on building on whenua Māori.

You can find information and learn who to contact for assistance on their **website** or local area office.

Māori Land Court

The Māori Land Court helps Māori whānau by providing legal services and support related to whenua Māori. The Court may also be able to answer questions about trusts, Māori incorporations and locating and dealing with other owners of the land block you'd like to occupy.

The details of the current ownership of Māori land blocks can be sourced from the Māori Land Court website or local offices.

Local council

Your local city or district council is responsible for the everyday uses and needs in your area such as roads, water supply and stormwater and wastewater management. Local councils also manage the effects of the development of land and provide all the required building consents.

Local councils collect rates from multiply-owned Māori land just like with general title land.

You can find or request information and learn who to contact for assistance on your local council's website. Each council has a main office, which you can visit in person.

Regional council

Your regional council has a broader focus on managing the natural resources across a larger area that may include multiple local councils. Its responsibilities include environmental management, water quality, flood control, and regional land use.

You can find or request information and learn who to contact for assistance on your regional council's website.

Common terms

Affordability requirements

Before deciding whether to lend you money, Kiwibank needs to understand your financial position. They will ask you to provide several documents to understand how much you earn, if you have any debts, who your employer is and where you live.

Security requirements

To underwrite a Kāinga Whenua Loan, Kāinga Ora requires that its security requirements are met. These include confirmation that the borrower has appropriate land tenure and can occupy the land for the term of the loan, the landowners and the borrower agree the house is the borrower's personal property and the borrower agrees to grant Kāinga Ora a security interest in that property so that, in the unlikely event of default, Kāinga Ora has agreement from all parties that they can enter the land and remove the house.

Governance structures

Some whenua is looked after by representatives, such as a trust or incorporation. These representatives manage the whenua for the owners, and they must agree to you building a house and living on the whenua.

Land tenure

This is a formal agreement from landowners, or the governance structure looking after the whenua that you can occupy the land for the duration of the loan. This can take the form of a licence to occupy or a lease.

Lease and licence to occupy

These are both types of land tenure that are acceptable to Kāinga Ora, if they meet the security requirements. A licence to occupy does not change the title of the land but gives the holders the exclusive right to occupy a defined part of the block for a period of time. A lease arrangement creates an estate that can be bought, sold or rented by the leaseholder.

Kāinga Whenua agreement

This agreement achieves three things: the borrower has appropriate land tenure and can occupy the land for the term of the loan, the parties agree the borrower owns their house as their personal property and the borrower agrees to grant Kāinga Ora a security interest in that house.

Māori Land Court order

This means that the house has been registered or noted with the Māori Land Court as your personal property. Once the Kāinga Whenua Agreement has been signed, your solicitor will arrange this with the Court on your behalf.

Build requirements

The build requirements are a list of the things that your Kāinga Whenua Loan can be used for (e.g. a water tank, septic tank or fencing for the house). If you're building, purchasing or relocating a house, the build requirements tell you the criteria that the house must meet (e.g. single storey, built on piles etc.).

Suppliers

These are the companies and/or people that will help get your house built or relocated. They can include sellers, builders, offsite manufacturers or building developers.

House supply agreement

This is the legal agreement that you will have with your supplier. It will set out all the details about what they are building or relocating for you, how long it will take and how much you will pay them.

Escrow arrangement

An escrow arrangement is used when your house is being manufactured offsite or purchased offsite, and transported onto the whenua. The escrow agent (the borrower's solicitor) holds the Kāinga Whenua Loan funds in their trust account for the suppliers until the house is placed on the whenua.

Trust account

This is a third-party bank account used in an escrow arrangement and looked after by the borrower's solicitor. Suppliers that are involved in the escrow agreement can monitor the money going in and can be assured that, once the house is placed on site, the money will be released to them.

Disclaimer

The Kāinga Whenua Loan can be used to build, buy, relocate or maintain a house on multiply-owned Māori land. However, it is most commonly used as a construction loan. Most of the information in this brochure is focused on providing guidance for building, relocating or purchasing an offsite manufactured house. If you have any questions on how to access the loan to buy or maintain a house on your whenua, please call Kāinga Ora on 0508 935 266.

The material contained in this brochure is for informational purposes only and is subject to change. Its content is intended to be of a general nature and is not intended to address the financial circumstances or goals of any particular individual or entity. All reasonable steps have been taken to ensure the quality and accuracy of the information presented. The eligibility criteria or other policies applicable to home ownership products administered and supported by Kāinga Ora may be changed, deleted, added to or otherwise amended without notice. It is recommended you seek independent professional advice before applying for or acquiring any financial product or service.

**Published in September 2024 by
Kāinga Ora – Homes and Communities.**

This booklet is also available at
kaingaora.govt.nz/kainga-whenua