

# Financial Products Quarterly Report

Period Ending 30 June 2017

## 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Quarter	Received	Approved	Pre-Approval	Declined, Withdrawn and Other	In process at quarter's end
Jul – Sept 2016	8,263	3,981	4,615	2,223	490
Oct – Dec 2016	6,702	4,413	3,856	1,929	246
Jan- Mar 2017	8,333	4,062	4,545	2,036	357
Apr – June 2017	8,433	4,256	4,456	1,996	315

### KiwiSaver HomeStart Grant Overview by Territorial Local Authority (TLA) April to June 2017

TLA	Applications Approved			Properties Bought			Grants Paid			\$ Paid		
	Existing	New	Total	Existing	New	Total	Existing	New	Total	Existing	New	Total
Far North	36	5	41	25	3	28	29	5	34	129,000	42,000	171,000
Whangarei	65	4	69	44	2	46	58	3	61	263,000	26,000	289,000
Kaipara	10	2	12	4	1	5	6	2	8	28,000	20,000	48,000
Auckland	260	153	413	151	84	235	221	128	349	968,000	1,120,000	2,088,000
Thames/Coromandel	9	0	9	5	0	5	7	0	7	34,000	0	34,000
Hauraki	13	0	13	8	0	8	10	0	10	44,000	0	44,000
Waikato	52	0	52	35	1	36	48	2	50	209,000	16,000	225,000
Matamata Piako	36	0	36	21	0	21	33	0	33	136,000	0	136,000
Hamilton	201	12	213	109	4	113	166	7	173	728,000	60,000	788,000
Waipa	32	0	32	26	0	26	37	0	37	163,000	0	163,000
Otorohanga	9	0	9	8	1	9	10	1	11	43,000	10,000	53,000
South Waikato	33	0	33	20	0	20	22	0	22	98,000	0	98,000
Waitomo	10	0	10	11	0	11	14	0	14	56,000	0	56,000
Taupo	27	1	28	24	3	27	31	5	36	133,000	38,000	171,000
Western BoP	20	17	37	13	10	23	20	17	37	88,000	152,000	240,000
Tauranga	65	24	89	48	19	67	71	27	98	295,000	238,000	533,000
Rotorua	64	4	68	49	1	50	61	2	63	268,000	16,000	284,000
Whakatane	30	1	31	18	0	18	23	0	23	106,000	0	106,000
Kawerau	15		15	12		12	15		15	63,000		63,000
Opotiki	3		3	4		4	4		4	14,000		14,000
Gisborne	58	0	58	36	0	36	53	0	53	235,000	0	235,000
Wairoa	19		19	11		11	16		16	71,000		71,000
Hastings	64	3	67	43	1	44	59	2	61	259,000	14,000	273,000

TLA	Applications Approved			Properties Bought			Grants Paid			\$ Paid		
	Existing	New	Total	Existing	New	Total	Existing	New	Total	Existing	New	Total
Napier	81	0	<b>81</b>	59	1	<b>60</b>	86	2	<b>88</b>	377,000	16,000	<b>393,000</b>
Ctrl Hawkes Bay	32	0	<b>32</b>	17	0	<b>17</b>	27	0	<b>27</b>	112,000	0	<b>112,000</b>
New Plymouth	96	7	<b>103</b>	59	5	<b>64</b>	81	7	<b>88</b>	351,000	58,000	<b>409,000</b>
Stratford	20	0	<b>20</b>	13	0	<b>13</b>	19	0	<b>19</b>	79,000	0	<b>79,000</b>
South Taranaki	30	0	<b>30</b>	29	0	<b>29</b>	38	0	<b>38</b>	172,000	0	<b>172,000</b>
Ruapehu	18	0	<b>18</b>	10	0	<b>10</b>	15	0	<b>15</b>	63,000	0	<b>63,000</b>
Wanganui	81	3	<b>84</b>	67	2	<b>69</b>	80	2	<b>82</b>	343,000	18,000	<b>361,000</b>
Rangitikei	33	0	<b>33</b>	19	0	<b>19</b>	24	0	<b>24</b>	108,000	0	<b>108,000</b>
Manawatu	42	11	<b>53</b>	31	5	<b>36</b>	43	7	<b>50</b>	193,000	60,000	<b>253,000</b>
Palmerston Nth	149	9	<b>158</b>	101	8	<b>109</b>	134	13	<b>147</b>	578,000	104,000	<b>682,000</b>
Taranua	38		<b>38</b>	25		<b>25</b>	35		<b>35</b>	155,000		<b>155,000</b>
Horowhenua	54	3	<b>57</b>	44	3	<b>47</b>	56	4	<b>60</b>	239,000	30,000	<b>269,000</b>
Kapiti Coast	65	4	<b>69</b>	40	1	<b>41</b>	56	2	<b>58</b>	249,000	14,000	<b>263,000</b>
Porirua	51	3	<b>54</b>	35	2	<b>37</b>	50	4	<b>54</b>	225,000	36,000	<b>261,000</b>
Upper Hutt	80	4	<b>84</b>	51	3	<b>54</b>	73	4	<b>77</b>	307,000	30,000	<b>337,000</b>
Lower Hutt	148	5	<b>153</b>	93	3	<b>96</b>	136	5	<b>141</b>	604,000	48,000	<b>652,000</b>
Wellington	58	5	<b>63</b>	40	10	<b>50</b>	52	12	<b>64</b>	222,000	118,000	<b>340,000</b>
Masterton	36	3	<b>39</b>	21	2	<b>23</b>	33	3	<b>36</b>	142,000	26,000	<b>168,000</b>
Carterton	6	1	<b>7</b>	4	1	<b>5</b>	6	1	<b>7</b>	28,000	6,000	<b>34,000</b>
South Wairarapa	22	0	<b>22</b>	18	0	<b>18</b>	25	0	<b>25</b>	105,000	0	<b>105,000</b>
Tasman	26	4	<b>30</b>	20	2	<b>22</b>	26	2	<b>28</b>	116,000	18,000	<b>134,000</b>
Nelson	71	8	<b>79</b>	48	6	<b>54</b>	69	9	<b>78</b>	304,000	80,000	<b>384,000</b>
Marlborough	68	8	<b>76</b>	42	1	<b>43</b>	59	2	<b>61</b>	256,000	12,000	<b>268,000</b>
Kaikoura	1	0	<b>1</b>	1	0	<b>1</b>	1	0	<b>1</b>	4,000	0	<b>4,000</b>
Buller	6	0	<b>6</b>	6	0	<b>6</b>	7	0	<b>7</b>	31,000	0	<b>31,000</b>
Grey	20	0	<b>20</b>	15	0	<b>15</b>	21	0	<b>21</b>	93,000	0	<b>93,000</b>
Westland	6	5	<b>11</b>	6	3	<b>9</b>	8	5	<b>13</b>	40,000	42,000	<b>82,000</b>
Hurunui	12	0	<b>12</b>	5	1	<b>6</b>	9	2	<b>11</b>	40,000	20,000	<b>60,000</b>
Waimakariri	57	37	<b>94</b>	35	23	<b>58</b>	51	33	<b>84</b>	220,000	282,000	<b>502,000</b>
Christchurch	508	96	<b>604</b>	351	71	<b>422</b>	478	100	<b>578</b>	2,101,000	852,000	<b>2,953,000</b>
Selwyn	36	83	<b>119</b>	20	51	<b>71</b>	29	76	<b>105</b>	139,000	662,000	<b>801,000</b>
Ashburton	49	0	<b>49</b>	39	1	<b>40</b>	48	2	<b>50</b>	211,000	20,000	<b>231,000</b>
Timaru	84	0	<b>84</b>	58	3	<b>61</b>	77	4	<b>81</b>	322,000	34,000	<b>356,000</b>
MacKenzie	4	0	<b>4</b>	2	0	<b>2</b>	2	0	<b>2</b>	10,000	0	<b>10,000</b>
Waimate	9	0	<b>9</b>	9	1	<b>10</b>	11	1	<b>12</b>	48,000	10,000	<b>58,000</b>
Chatham Islands	0		<b>0</b>	0		<b>0</b>	0		<b>0</b>	0		<b>0</b>
Waitaki	42	1	<b>43</b>	31	1	<b>32</b>	42	1	<b>43</b>	184,000	10,000	<b>194,000</b>
Central Otago	16	1	<b>17</b>	9	1	<b>10</b>	15	1	<b>16</b>	62,000	10,000	<b>72,000</b>
Queenstown Lakes	7	14	<b>21</b>	5	8	<b>13</b>	7	9	<b>16</b>	33,000	82,000	<b>115,000</b>
Dunedin	174	3	<b>177</b>	122	1	<b>123</b>	161	1	<b>162</b>	709,000	10,000	<b>719,000</b>
Clutha	29	1	<b>30</b>	25	1	<b>26</b>	31	1	<b>32</b>	144,000	10,000	<b>154,000</b>
Southland	38	4	<b>42</b>	31	3	<b>34</b>	40	4	<b>44</b>	178,000	36,000	<b>214,000</b>
Gore	32		<b>32</b>	24		<b>24</b>	33		<b>33</b>	144,000		<b>144,000</b>
Invercargill	138	3	<b>141</b>	104	2	<b>106</b>	132	2	<b>134</b>	586,000	18,000	<b>604,000</b>
<b>Total</b>	<b>3,704</b>	<b>552</b>	<b>4,256</b>	<b>2,509</b>	<b>356</b>	<b>2,865</b>	<b>3,440</b>	<b>522</b>	<b>3,962</b>	<b>15,058,000</b>	<b>4,524,000</b>	<b>19,582,000</b>

	Jul – Sept 2016	Oct - Dec 2016	Jan – Mar 2017	Apr - Jun 2017	Total for last 4 quarters	Total since 1 Apr 2015
<b>Total HomeStart grants paid</b>	<b>\$16,328,000</b>	<b>\$22,170,000</b>	<b>\$17,248,000</b>	<b>\$19,582,000</b>	<b>\$75,328,000</b>	<b>\$148,139,000</b>
Existing properties	\$12,596,000	\$17,058,000	\$13,716,000	\$15,058,000	\$58,428,000	\$118,569,000
New properties	\$3,732,000	\$5,112,000	\$3,532,000	\$4,524,000	\$16,900,000	\$29,570,000
Average individual grant for new build	\$8,720	\$8,506	\$8,721	\$8,667	\$8,640	\$9,007
Average individual grant for existing properties	\$4,309	\$4,336	\$4,357	\$4,377	\$4,345	\$4,464
Average amount paid out per new build	\$12,825	\$12,877	\$12,797	\$12,708	\$12,803	\$11,628
Average amount paid out per existing property	\$5,744	\$5,818	\$5,887	\$6,002	\$5,864	\$5,419

### Average subsidy/grant payments from July 2014 to June 2017

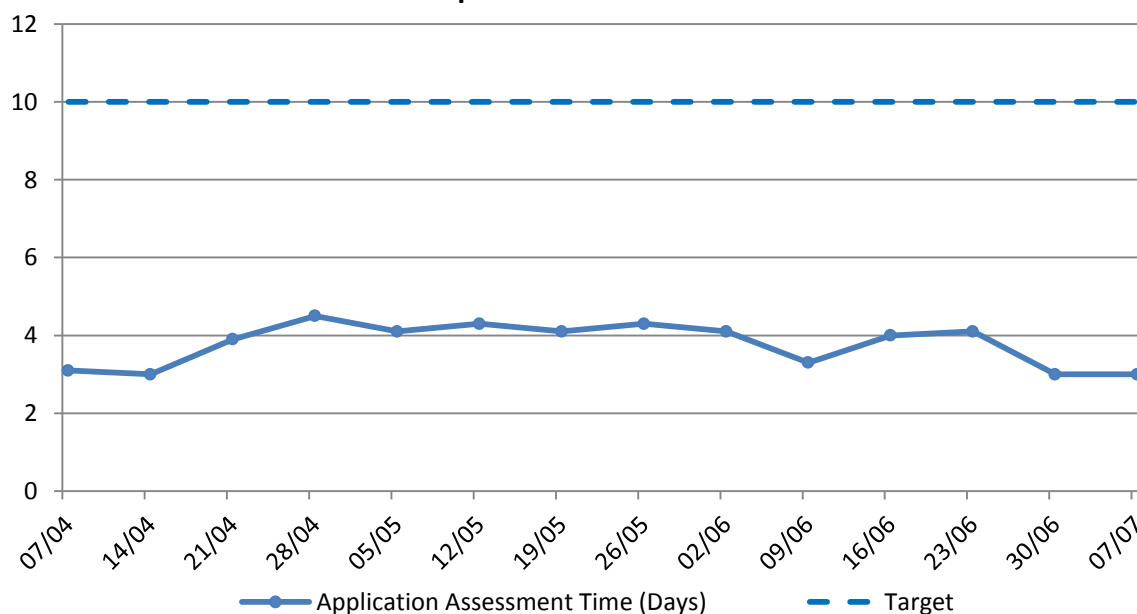
#### KiwiSaver deposit subsidy average amounts paid out from Jul 2014 to Mar 2015

	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 June 2017

	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	Jan 2017	Feb 2017	Mar 2017
Average (\$)	4,706	4,770	4,849	4,857	4,820	4,928	4,934	4,872	4,870	4,817	4,866	4,861
	Apr 2017	May 2017	Jun 2017									
Average (\$)	4,863	4,972	4,980									

### KiwiSaver HomeStart Application Processing Time April to June 2017



## 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 quarters.

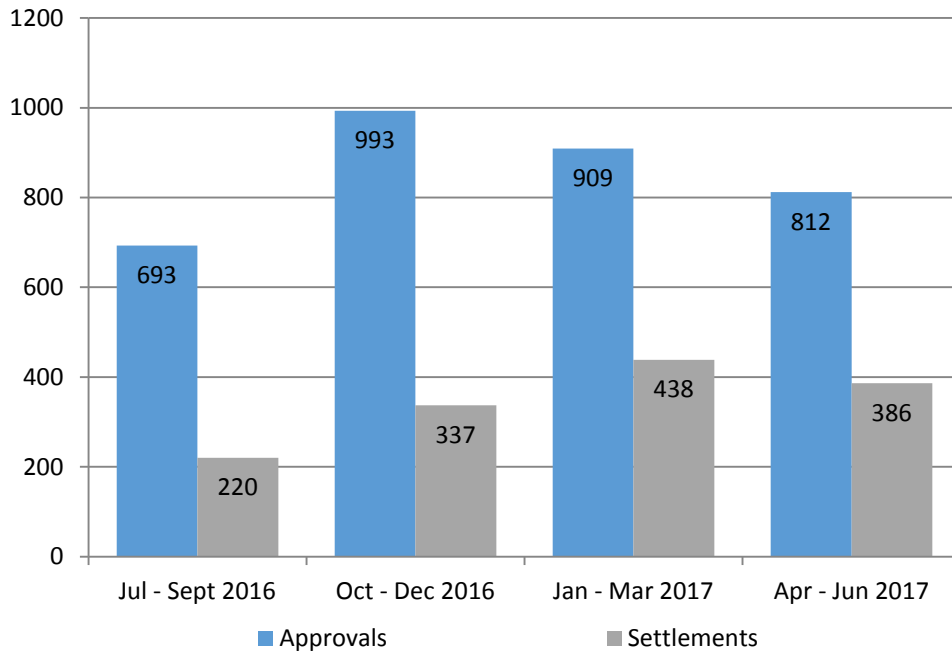
FirstHomes sold from October 2013 to 30 June 2017					
Awanui/Waharoa/Te Aroha	4	Kaiwaka/Kawakawa	6	Shannon	3
Balclutha	3	Levin	14	Stratford	7
Blenheim	5	Marton	5	Taihape	3
Bulls	3	Matamata	4	Taumarunui	15
Cheviot/Waiiau	2	Milton	2	Te Anau	1
Coopers Beach	1	Morrinsville	7	Te Kuiti	7
Cromwell	1	Napier	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>428</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.

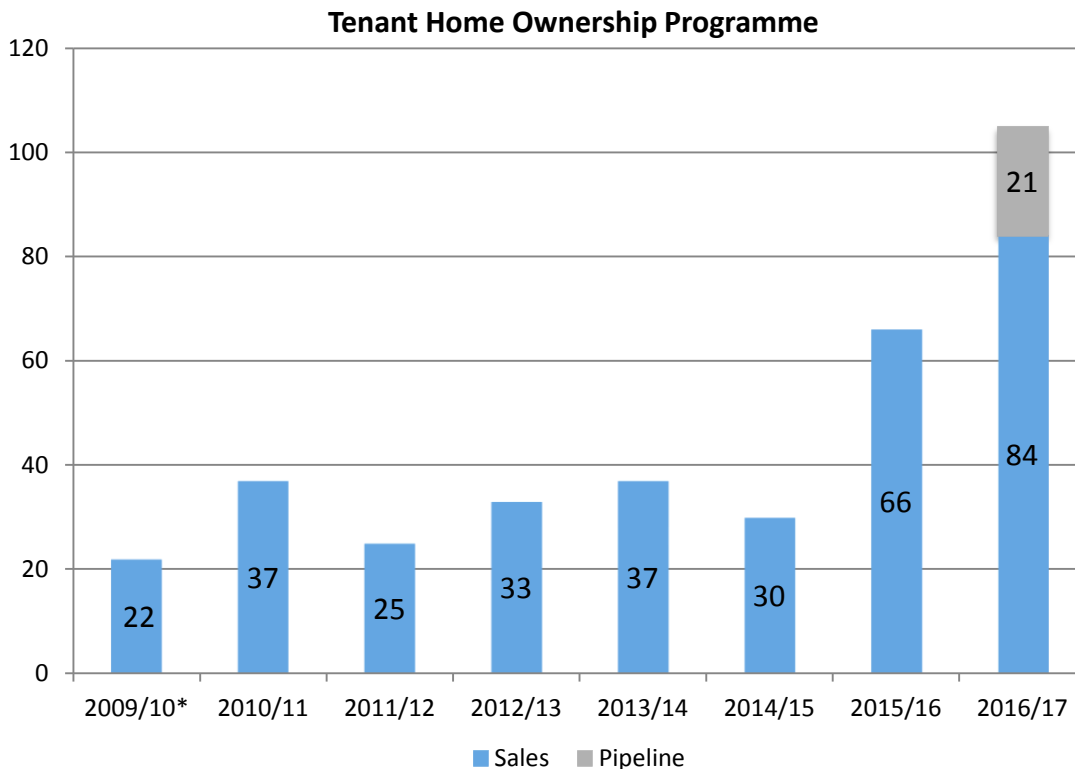
## Welcome Home Loans - Approvals and Settlements



## 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.

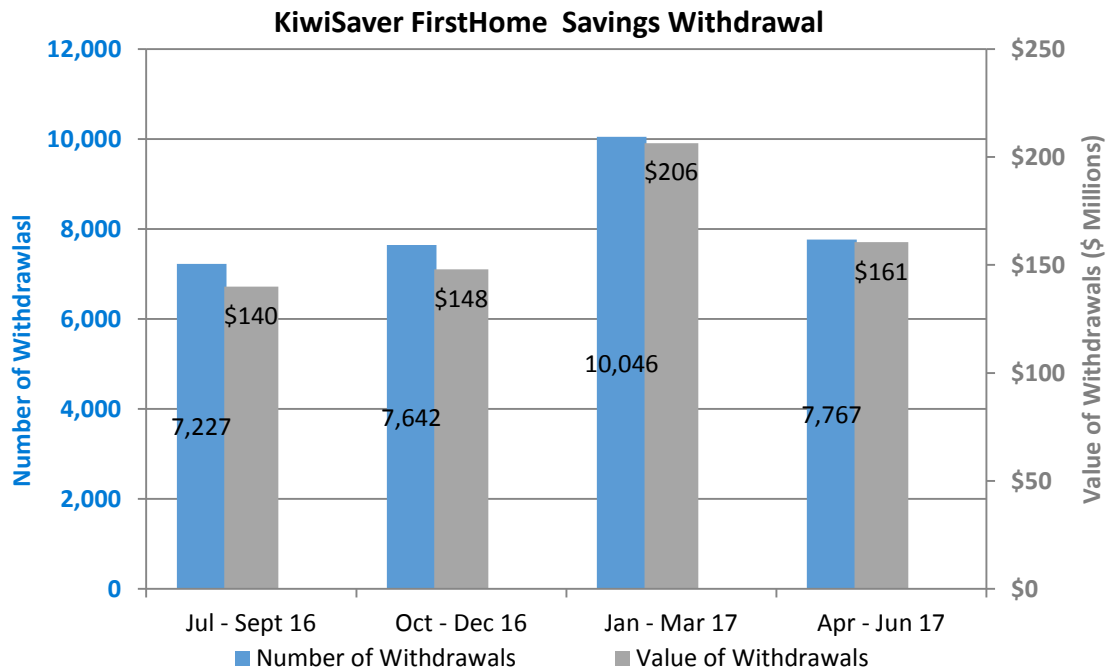
From 1 December 2015 Housing New Zealand made the FirstHome grant of 10 per cent of the purchase price, capped at \$20,000 available for eligible Housing New Zealand tenants who wish to buy their tenanted properties.



\* The programme began in September 2009

## KiwiSaver FirstHome 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.

