

# Financial Products Quarterly Report

Period Ending 30 June 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.

The new KiwiSaver HomeStart grant 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Quarter	Received	Approved	Pre-Approval	Declined, Withdrawn and Other	In process at quarter's end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 2015	7,589	4,261	2,478	2,209	816
Oct – Dec 2015	5,484	3,916	3,097	1,670	231
Jan – Mar 2016	6,608	3,525	3,472	1,728	335
Apr – Jun 2016	7,082	3,672	3,896	1,917	363

### KiwiSaver HomeStart Grant Overview by TLA April to June 2016

TLA	Applications Approved			Properties Bought			Grants Paid			\$ Paid		
	Existing	New	Total	Existing	New	Total	Existing	New	Total	Existing	New	Total
Far North	31		31	19		19	21		21	88,000		88,000
Whangarei	50	6	56	36	3	39	44	5	49	193,000	40,000	233,000
Kaipara	12	3	15	9	3	12	11	5	16	49,000	48,000	97,000
Auckland	188	81	269	134	54	188	185	78	263	778,000	638,000	1,416,000
Thames/Coromandel	5		5	3		3	5		5	23,000		23,000
Hauraki	18		18	16		16	19		19	86,000		86,000
Waikato	46		46	35	2	37	46	3	49	204,000	26,000	230,000
Matamata Piako	32	2	34	23	1	24	31	2	33	135,000	20,000	155,000
Hamilton	93	5	98	74	6	80	95	9	104	398,000	62,000	460,000
Waipa	35		35	25		25	34		34	144,000		144,000
Otorohanga	8		8	5	1	6	6	1	7	27,000	10,000	37,000
South Waikato	39	2	41	26		26	32		32	148,000		148,000
Waitomo	19		19	15		15	18		18	78,000		78,000
Taupo	29	1	30	24	1	25	30	1	31	129,000	6,000	135,000
Western BoP	28	8	36	17	5	22	20	7	27	87,000	54,000	141,000
Tauranga	79	19	98	65	15	80	96	22	118	400,000	192,000	592,000
Rotorua	89	1	90	62	1	63	84	1	85	360,000	10,000	370,000
Whakatane	27		27	18		18	22		22	92,000		92,000
Kawerau	16		16	11		11	15		15	63,000		63,000
Opotiki	6		6	5		5	9		9	39,000		39,000
Gisborne	56		56	46		46	55		55	243,000		243,000
Wairoa	6		6	7		7	8		8	34,000		34,000
Hastings	71	1	72	49	1	50	68	1	69	295,000	8,000	303,000
Napier	62		62	40		40	53		53	233,000		233,000
Ctrl Hawkes Bay	21		21	18		18	25		25	107,000		107,000

New Plymouth	72	2	74	60	1	61	74	2	76	313,000	16,000	329,000
Stratford	12		12	9		9	11		11	49,000		49,000
South Taranaki	47		47	36		36	43		43	195,000		195,000
Ruapehu	13	1	14	11		11	12		12	53,000		53,000
Wanganui	83	1	84	56	2	58	73	2	75	322,000	20,000	342,000
Rangitikei	28	2	30	23	1	24	32	2	34	132,000	16,000	148,000
Manawatu	36	5	41	30	4	34	38	6	44	164,000	52,000	216,000
Palmerston Nth	138	7	145	107	3	110	137	5	142	601,000	40,000	641,000
Taranua	33		33	30		30	34		34	143,000		143,000
Horowhenua	67	3	70	44	2	46	55	3	58	240,000	22,000	262,000
Kapiti Coast	50		50	36		36	48		48	218,000		218,000
Porirua	72	4	76	49	2	51	72	4	76	308,000	34,000	342,000
Upper Hutt	64	3	67	44	3	47	62	5	67	275,000	50,000	325,000
Lower Hutt	154	6	160	112	3	115	159	5	164	679,000	48,000	727,000
Wellington	40	11	51	44	4	48	54	7	61	230,000	70,000	300,000
Masterton	36		36	27		27	35		35	157,000		157,000
Carterton	3		3	2	1	3	2	2	4	9,000	14,000	23,000
South Wairarapa	9		9	6		6	9		9	42,000		42,000
Tasman	23	2	25	22	1	23	27	2	29	126,000	16,000	142,000
Nelson	65	3	68	51	5	56	75	8	83	308,000	76,000	384,000
Marlborough	75	4	79	47	3	50	61	3	64	265,000	24,000	289,000
Kaikoura	1		1	2		2	3		3	12,000		12,000
Buller	5		5	2		2	3		3	13,000		13,000
Grey	18	1	19	19	2	21	24	2	26	99,000	12,000	111,000
Westland	4	4	8	5	3	8	6	3	9	23,000	26,000	49,000
Hurunui	7		7	5		5	6		6	27,000		27,000
Waimakariri	55	32	87	40	22	62	56	34	90	238,000	298,000	536,000
Christchurch	396	67	463	269	44	313	361	66	427	1,550,000	566,000	2,116,000
Selwyn	25	66	91	16	48	64	22	71	93	93,000	624,000	717,000
Ashburton	53		53	34		34	46		46	186,000		186,000
Timaru	72		72	60		60	82		82	353,000		353,000
MacKenzie	2	2	4									
Waimate	6		6	5		5	6		6	27,000		27,000
Waitaki	35		35	29		29	38		38	160,000		160,000
Central Otago	12	6	18	9	3	12	10	6	16	44,000	52,000	96,000
Queenstown Lakes	3	15	18	2	9	11	3	12	15	10,000	110,000	120,000
Dunedin	176	2	178	136	2	138	172	3	175	754,000	22,000	776,000
Clutha	28		28	19		19	23		23	98,000		98,000
Southland	31		31	29		29	34		34	155,000		155,000
Gore	18		18	18		18	21		21	93,000		93,000
Invercargill	161		161	112		112	148		148	654,000		654,000
<b>Total</b>	<b>3294</b>	<b>378</b>	<b>3672</b>	<b>2439</b>	<b>261</b>	<b>2700</b>	<b>3209</b>	<b>388</b>	<b>3597</b>	<b>13,851,000</b>	<b>3,322,000</b>	<b>17,173,000</b>

	Jul – Sep 2015	Oct – Dec 2015	Jan – Mar 2016	Apr – Jun 2016	Total for last 4 quarters	Total since 1 April 2015
<b>Total HomeStart grants paid</b>	<b>\$16,992,000</b>	<b>\$17,307,000</b>	<b>\$14,135,000</b>	<b>\$17,173,000</b>	<b>\$65,607,000</b>	<b>\$72,811,000</b>
Existing properties	\$14,126,000	\$14,175,000	\$11,881,000	\$13,851,000	\$54,033,000	\$60,141,000
New properties	\$2,866,000	\$3,132,000	\$2,254,000	\$3,322,000	\$11,574,000	\$12,670,000
Average individual grant for new build	\$8,607	\$8,374	\$8,379	\$8,562	\$8,485	\$8,486
Average individual grant for existing properties	\$4,261	\$4,294	\$4,275	\$4,316	\$4,287	\$4,281
Average amount paid out per new build	\$12,144	\$12,000	\$12,317	\$12,728	\$12,300	\$12,337
Average amount paid out per existing property	\$5,448	\$5,665	\$5,718	\$5,718	\$5,621	\$5,610

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

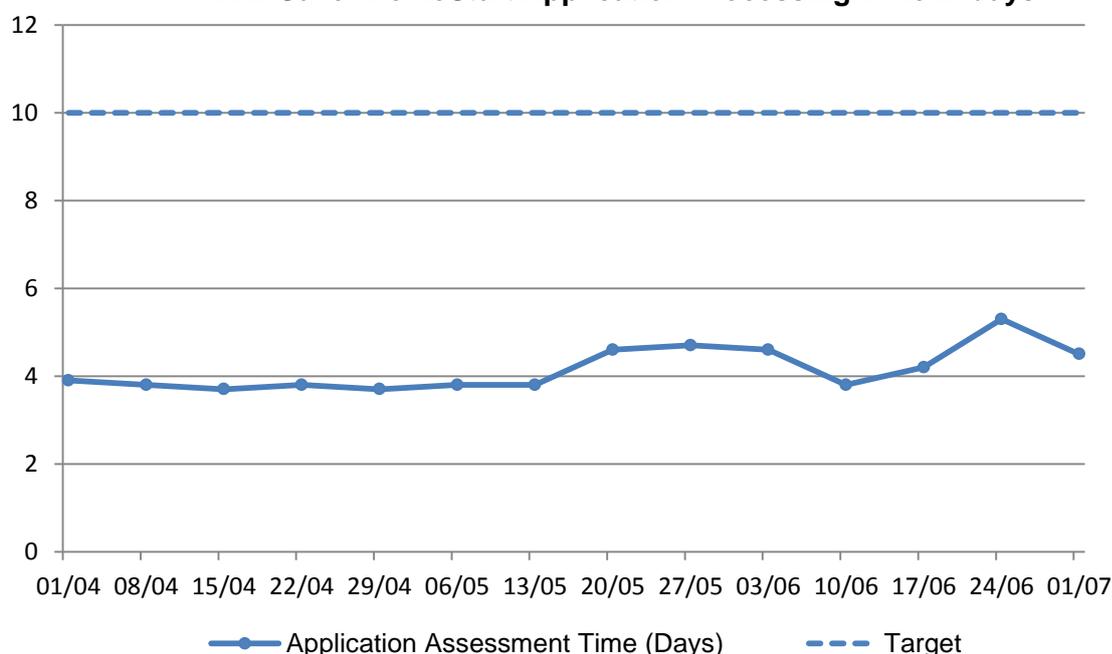
### KiwiSaver deposit subsidy average amounts paid out from Jul 2014 to Mar 2015

	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 April 2015 to June 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									
Average (\$)	4,706	4,770	4,849									

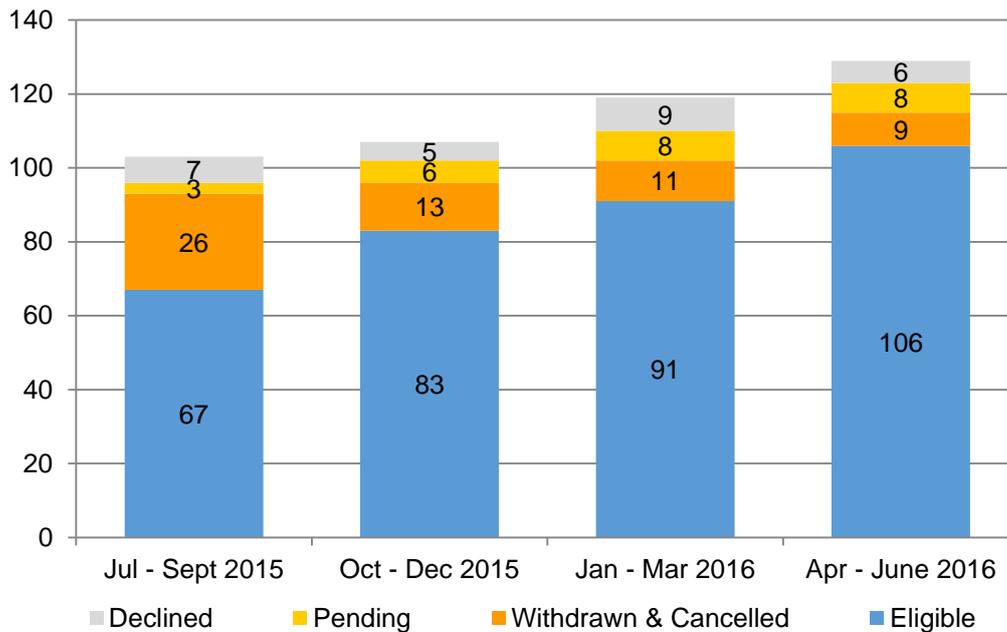
## KiwiSaver HomeStart Application Processing Time in days



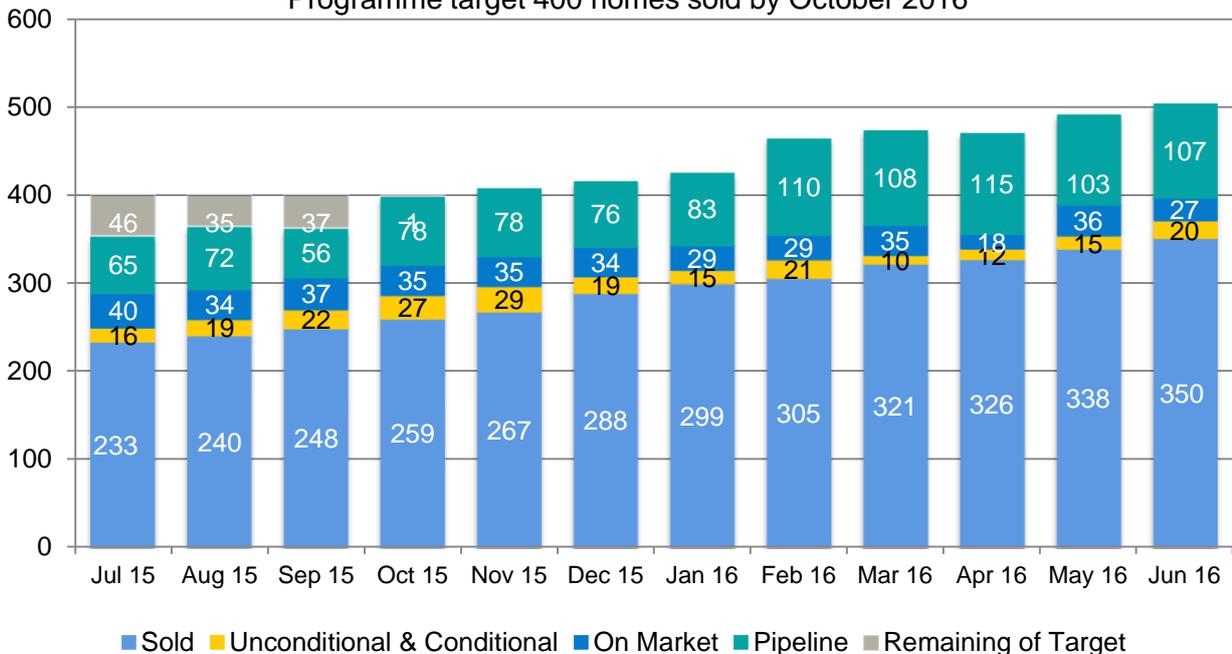
## FirstHome Ownership Scheme

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 initially made available to eligible first-home buyers for a period of three months. Eligible clients are then able to receive a grant of 10 percent of the purchase price of the FirstHome property, capped at a maximum of \$20,000. Housing New Zealand established the scheme with a target of facilitating a purchase for 400 first home buyers by October 2016.

**FirstHome Applications by Quarter**  
April 2015 - March 2016



**FirstHome Ownership Scheme Monthly Status**  
Programme target 400 homes sold by October 2016



FirstHomes sold from October 2013 to 30 June 2016 by Location					
Awanui/Waharoa/Te Aroha	4	Kaikohe/Kaitaia/Waimamaku	12	Shannon	3
Balclutha	3	Kaiwaka/Kawakawa	5	Stratford	7
Blenheim	5	Levin	13	Taihape	2
Bulls	1	Manaia	1	Taumarunui	11
Cheviot/Waiiau/Rangiora	4	Marton	5	Te Anau	1
Coopers Beach	2	Matamata	4	Te Kuiti	6
Cromwell	1	Milton	2	Thames	3
Dargaville	2	Morrinsville	6	Timaru	2
Dunedin	19	Napier	2	Tokoroa	3
Edgecumbe	1	Netherton	1	Upper Hutt	5
Eltham	2	New Plymouth	1	Waihi	1
Flaxmere	13	Okaihau	1	Waipawa	4
Foxton	11	Opotiki	4	Waipukurau	12
Geraldine	1	Opunake	3	Wairoa	6
Gore	4	Otaki	1	Waverley	1
Greymouth	4	Otorohanga	6	Wellington	3
Hastings	8	Putaruru	4	Westport	4
Havelock North	6	Palmerston North	2	Whakatane	1
Hawera	9	Patea	7	Whanganui	73
Hunterville	1	Picton	1	Whangarei	3
Invercargill	12	Rotorua	3	Whitianga	2
<b>Total</b>			<b>350</b>		

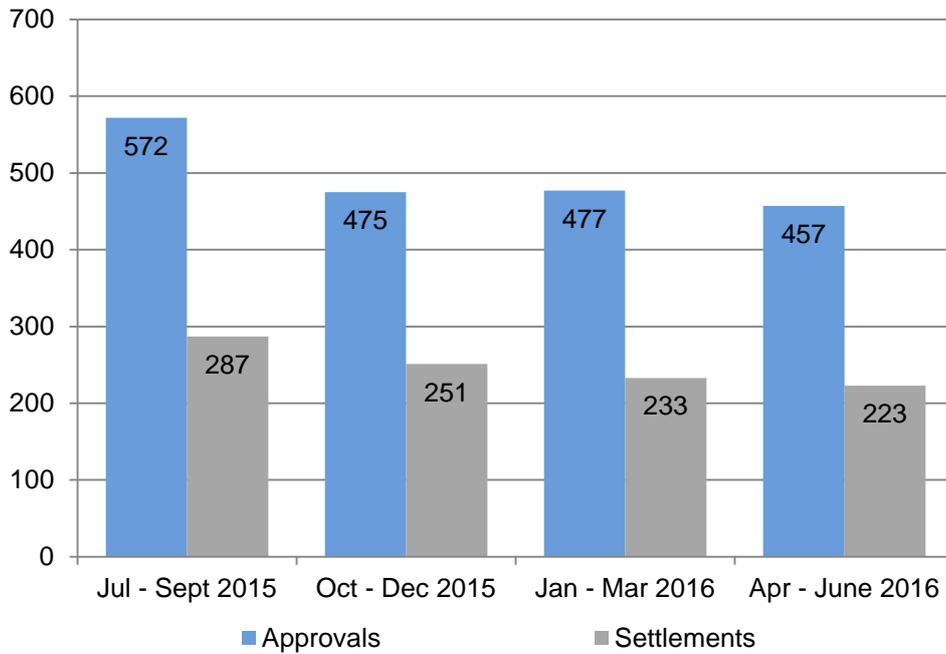
Sale Price of Settled Properties	\$38,645,000
Number of FirstHome Grants paid out	350
Value of Paid Grants	\$3,798,200
Grants Repaid	6
Value of Repaid Grants	\$36,712

## Welcome Home Loans

A 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 a Welcome Home Loan borrowers only need a 10 percent deposit, not a 20 percent deposit as required by most lenders. Housing New Zealand does not issue the loan. Instead, 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 regional house price caps apply.

Not all approved Welcome Home Loans result in an actual loan being provided. The lower number of settlements compared to approvals is due to approvals expiring after 90 days, applicants who have applied with two or more lenders and applicants who haven't been able find a suitable property.

## Welcome Home Loans - Approvals and Settlements

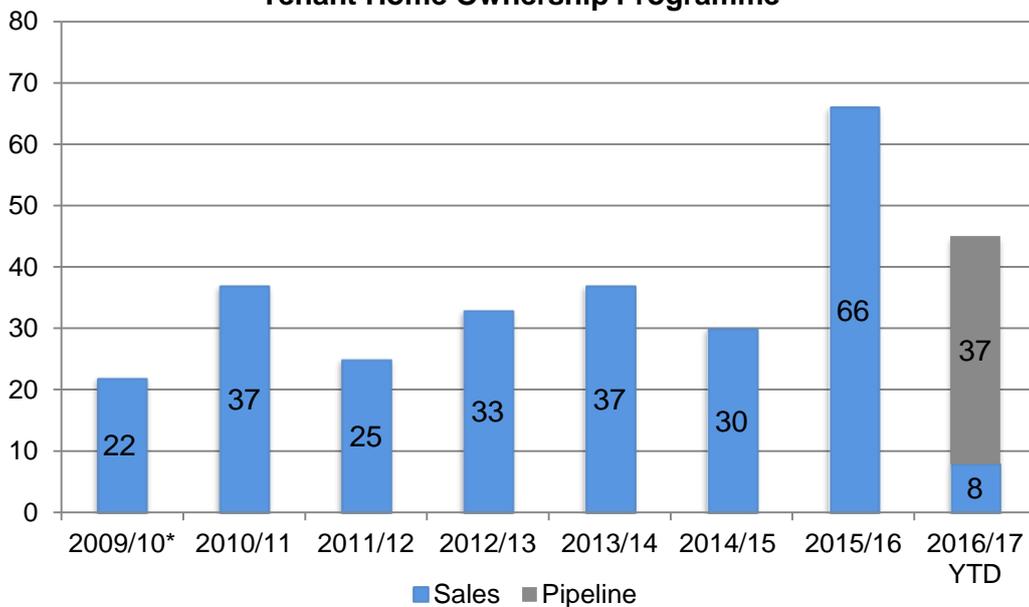


## Tenant Home Ownership

Housing New Zealand also offers its tenants the opportunity to purchase the house they rent, mainly in areas where there is low or no demand for social housing. 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.

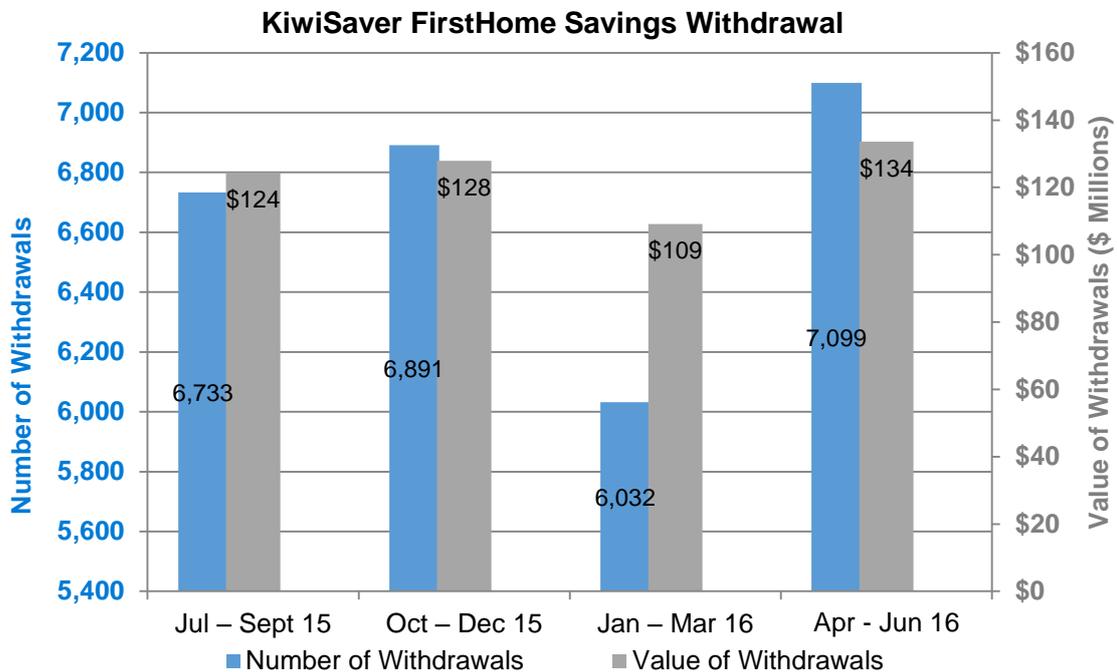
From 1 December 2015 Housing New Zealand made the FirstHome grant of 10 percent of the purchase price, capped at \$20,000, available for eligible Housing New Zealand tenants who wish to buy their tenanted properties.

## Tenant Home Ownership Programme



## 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 can 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. Housing New Zealand conducts a financial assessment to determine a client's eligibility. If the client is deemed eligible then a letter is produced to assist with their application to withdraw their contributions.

**Previous Owner Savings Withdrawal Applications  
July 2015 to June 2016**

