

Financial Products Quarterly Report

Period Ending 31 March 2020

First Home Grant

On 1 October 2019 the KiwiSaver HomeStart Grant became the First Home 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 two or more buyers to put towards the purchase of an existing/older home.

In addition, the First Home Grant also provides eligible first-home buyers with a grant of up to \$10,000 each for individuals and two or more buyers (such as couples or multi-generational households), to help with purchasing a brand new property.

First Home Grant Applications - Quarter by Quarter					
Quarter	Received	Approved	Pre-Approval	Declined, Withdrawn and Other	In process at quarter's end
Apr - Jun 2019	9,102	4,492	5,201	2,240	336
Jul - Sep 2019	10,618	4,300	6,293	2,495	465
Oct - Dec 2019	9,047	4,529	5,588	2,228	335
Jan - Mar 2020	9,107	3,749	5,752	2,116	371

First Home Grant Overview by Territorial Local Authority (TLA) 1 January 2020 to 31 March 2020

TLA	Applications Approved			Properties Bought			Grants Paid			Grants Paid \$		
	Existing House	New Build	Total	Existing House	New Build	Total	Existing House	New Build	Total	Existing House	New Build	\$ Total
Far North District	29	3	32	20	2	22	26	3	29	118,000	30,000	148,000
Whangarei District	28	4	32	20	2	22	30	3	33	124,000	24,000	148,000
Kaipara District	17	0	17	9	0	9	11	0	11	50,000	0	50,000
Auckland	225	327	552	156	188	344	212	271	483	953,000	2,468,000	3,421,000
Thames-Coromandel District	2	0	2	1	0	1	1	0	1	5,000	0	5,000
Hauraki District	14	4	18	13	1	14	15	2	17	67,000	20,000	87,000
Waikato District	19	7	26	13	2	15	19	4	23	89,000	40,000	129,000
Matamata-Piako District	8	1	9	5	1	6	6	1	7	27,000	8,000	35,000
Hamilton City	127	39	166	81	23	104	122	37	159	548,000	330,000	878,000
Waipa District	7	1	8	4	2	6	6	3	9	28,000	24,000	52,000
Otorohanga District	1	0	1	1	0	1	2	0	2	9,000	0	9,000
South Waikato District	41	0	41	28	0	28	34	0	34	155,000	0	155,000
Waitomo District	19	0	19	8	0	8	9	0	9	43,000	0	43,000
Taupo District	26	2	28	20	3	23	28	3	31	121,000	26,000	147,000
Western Bay Of Plenty District	28	13	41	16	8	24	24	11	35	109,000	92,000	201,000
Tauranga City	64	35	99	42	20	62	54	28	82	246,000	258,000	504,000
Rotorua District	42	3	45	34	3	37	46	5	51	208,000	40,000	248,000
Whakatane District	19	2	21	11	2	13	14	3	17	61,000	22,000	83,000

TLA	Applications Approved			Properties Bought			Grants Paid			Grants Paid \$		
	Existing House	New Build	Total	Existing House	New Build	Total	Existing House	New Build	Total	Existing House	New Build	\$ Total
Kawerau District	4	1	5	4	0	4	5	0	5	20,000	0	20,000
Opotiki District	6	0	6	5	0	5	5	0	5	24,000	0	24,000
Gisborne District	38	0	38	24	0	24	31	0	31	142,000	0	142,000
Wairoa District	19	0	19	13	0	13	19	0	19	88,000	0	88,000
Hastings District	36	7	43	23	3	26	32	5	37	142,000	46,000	188,000
Napier City	26	11	37	17	8	25	25	12	37	117,000	108,000	225,000
Central Hawkes Bay District	24	4	28	14	4	18	21	4	25	91,000	34,000	125,000
New Plymouth District	48	14	62	28	9	37	38	14	52	170,000	130,000	300,000
Stratford District	18	0	18	8	0	8	11	0	11	47,000	0	47,000
South Taranaki District	47	0	47	32	0	32	44	0	44	194,000	0	194,000
Ruapehu District	11	1	12	8	0	8	9	0	9	41,000	0	41,000
Whanganui District	93	2	95	64	3	67	89	5	94	399,000	40,000	439,000
Rangitikei District	33	2	35	16	1	17	20	2	22	92,000	20,000	112,000
Manawatu District	30	0	30	18	0	18	26	0	26	121,000	0	121,000
Palmerston North District	63	6	69	50	3	53	65	6	71	285,000	54,000	339,000
Tararua District	30	0	30	21	0	21	27	0	27	127,000	0	127,000
Horowhenua District	40	10	50	31	6	37	43	7	50	183,000	64,000	247,000
Kapiti Coast District	29	2	31	16	1	17	28	2	30	133,000	20,000	153,000
Porirua City	15	0	15	14	0	14	19	0	19	83,000	0	83,000
Upper Hutt City	21	2	23	16	2	18	22	4	26	104,000	36,000	140,000
Lower Hutt City	71	24	95	44	14	58	65	19	84	294,000	182,000	476,000
Wellington City	19	7	26	13	7	20	16	9	25	70,000	80,000	150,000
Masterton District	21	7	28	13	4	17	19	8	27	88,000	70,000	158,000
Carterton District	1	1	2	1	0	1	1	0	1	5,000	0	5,000
South Wairarapa District	0	2	2	0	1	1	0	2	2	0	12,000	12,000
Tasman District	19	3	22	10	0	10	17	0	17	78,000	0	78,000
Nelson City	39	5	44	33	1	34	47	2	49	212,000	20,000	232,000
Marlborough District	55	5	60	38	3	41	51	5	56	222,000	36,000	258,000
Kaikoura District	1	2	3	1	1	2	2	2	4	8,000	12,000	20,000
Buller District	13	1	14	11	0	11	12	0	12	54,000	0	54,000
Grey District	30	2	32	26	0	26	36	0	36	169,000	0	169,000
Westland District	4	3	7	5	2	7	6	3	9	30,000	28,000	58,000

TLA	Applications Approved			Properties Bought			Grants Paid			Grants Paid \$		
	Existing House	New Build	Total	Existing House	New Build	Total	Existing House	New Build	Total	Existing House	New Build	\$ Total
Hurunui District	18	6	24	11	4	15	15	6	21	71,000	60,000	131,000
Waimakariri District	83	38	121	43	21	64	61	35	96	284,000	328,000	612,000
Christchurch City	601	114	715	418	74	492	575	106	681	2,631,000	938,000	3,569,000
Selwyn District	69	155	224	42	77	119	60	123	183	274,000	1,092,000	1,366,000
Ashburton District	52	2	54	34	1	35	46	2	48	209,000	20,000	229,000
Timaru District	82	0	82	61	0	61	82	0	82	373,000	0	373,000
MacKenzie District	1	2	3	2	1	3	2	2	4	10,000	20,000	30,000
Waimate District	7	0	7	6	0	6	7	0	7	30,000	0	30,000
Chatham Island District	0	0	0	0	0	0	0	0	0	0	0	0
Waitaki District	24	0	24	18	0	18	23	0	23	104,000	0	104,000
Central Otago District	6	7	13	5	5	10	9	9	18	34,000	82,000	116,000
Queenstown Lakes District	3	11	14	1	6	7	2	11	13	6,000	104,000	110,000
Dunedin City	82	0	82	61	0	61	88	0	88	386,000	0	386,000
Clutha District	27	1	28	17	1	18	23	1	24	105,000	10,000	115,000
Southland District	19	5	24	17	3	20	22	4	26	91,000	40,000	131,000
Gore District	22	0	22	19	0	19	26	0	26	113,000	0	113,000
Invercargill City	122	5	127	86	2	88	116	3	119	523,000	26,000	549,000
Grand Total	2,838	911	3,749	1,940	525	2,465	2,667	787	3,454	12,038,000	7,094,000	19,132,000

First Home Grant Summary – 1 April 2019 to 31 March 2020

	Apr – June 2019	Jul – Sept 2019	Oct – Dec 2019	Jan – Mar 2020	Total for last 4 quarters	Total since 1 Apr 2015
Total HomeStart grants paid	\$21,237,000	\$22,972,000	\$22,706,000	\$19,132,000	\$86,047,000	\$364,759,000
Existing properties	\$15,843,000	\$15,090,000	\$14,190,000	\$12,038,000	\$57,161,000	\$272,461,000
New properties	\$5,394,000	\$7,882,000	\$8,516,000	\$7,094,000	\$28,886,000	\$92,298,000
Average individual grant for new build	\$8,886	\$8,916	\$8,945	\$9,014	\$8,940	\$8,719
Average individual grant for existing properties	\$4,472	\$4,514	\$4,512	\$4,514	\$4,503	\$4,390
Average amount paid out per new build	\$13,587	\$13,474	\$13,758	\$13,512	\$13,583	\$13,037
Average amount paid out per existing property	\$6,279	\$6,212	\$6,221	\$6,205	\$6,229	\$5,970

Average subsidy/grant payments from July 2014 to March 2015

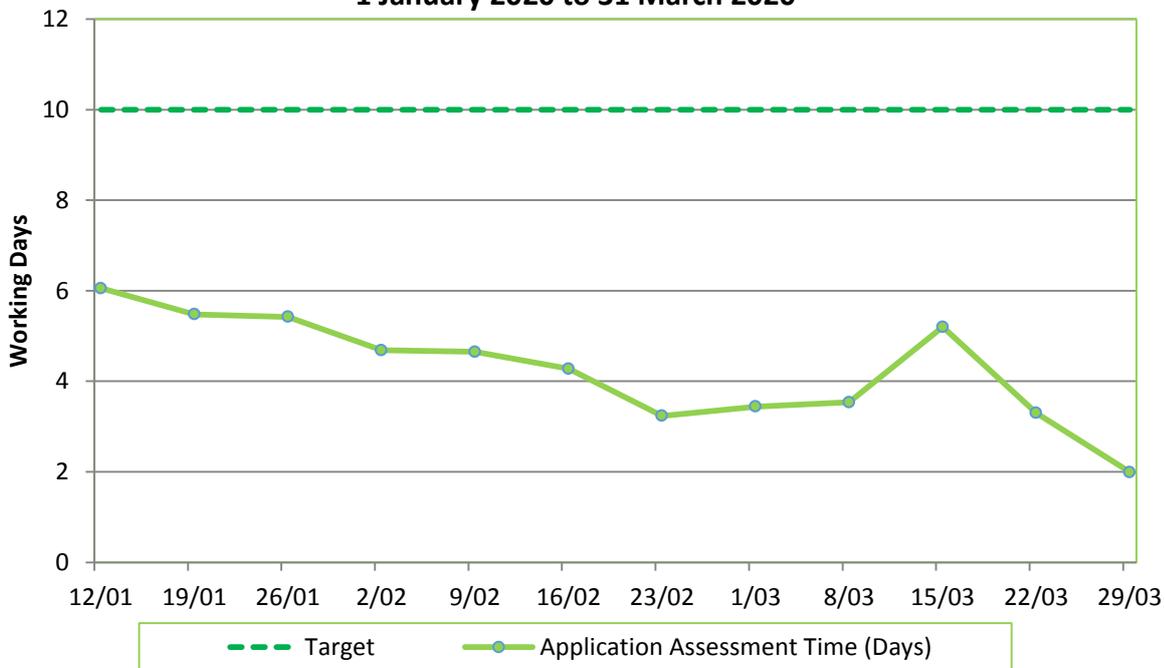
KiwiSaver deposit subsidy average amounts paid out from Jul 2014 to Mar 2015

	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

First Home Grant average amounts paid out from 1 Apr 2015 to 31 March 2020

	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	Jul 2017	Aug 2017	Sept 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018
Average (\$)	4,863	4,972	4,980	4,936	5,028	4,911	4,896	4,904	4,885	4,848	4,873	4,930
	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sept 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019
Average (\$)	4,882	5,062	4,994	5,130	5,211	5,316	5,075	5,112	4,965	5,161	5,005	5,070
	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020
Average (\$)	5,018	5,153	5,190	5,281	5,470	5,569	5,459	5,591	5,576	5,446	5,734	5,466

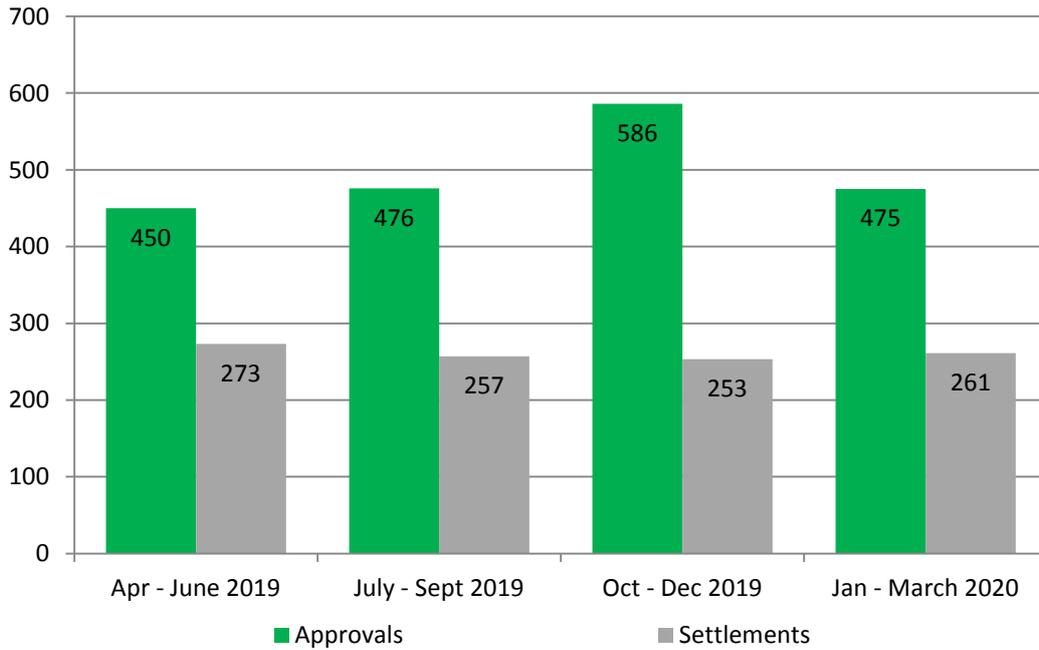
First Home Grant Application Processing Time 1 January 2020 to 31 March 2020



First Home Loans

First Home Loans (known as Welcome Home Loans prior to 1 October 2019) are offered by lenders, supported by Kāinga Ora, 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. First Home Loans only need a 5 per cent deposit, not a ten or twenty per cent deposit as required by most lenders. Kāinga Ora does not issue the loan. This is done through lenders such as selected banks and credit unions. Kāinga Ora underwrites the loan for the lender. Individual applicants are required to meet the lender's specific lending criteria. Income and House Price Caps apply.

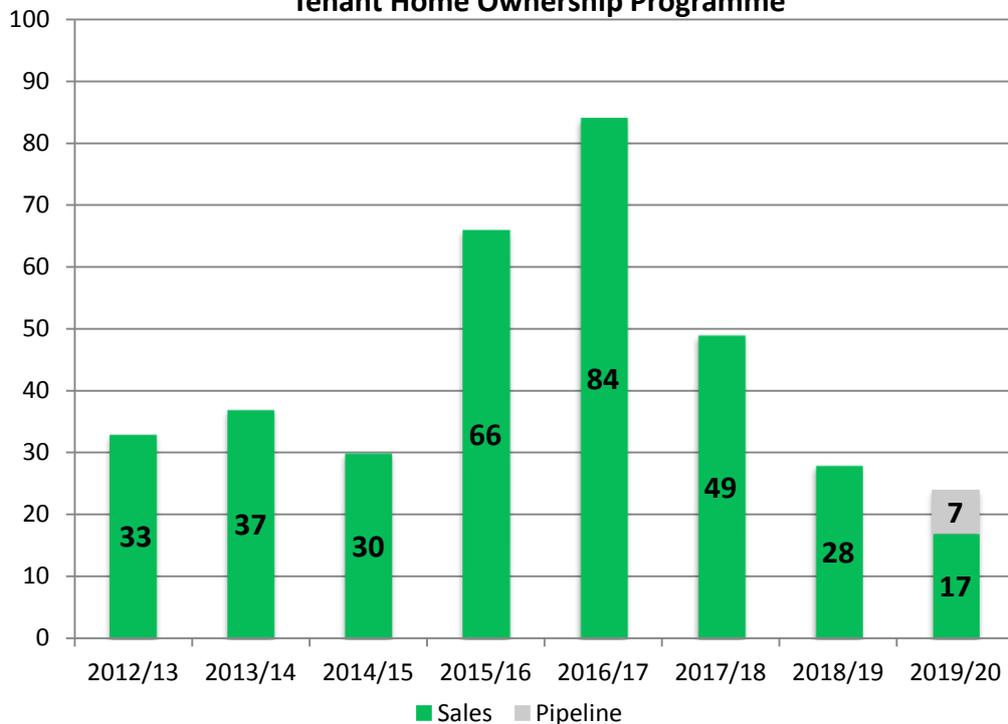
First Home Loans - Approvals and Settlements



Tenant Home Ownership

Kāinga Ora may at times offer 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 may be given the option to buy other Kāinga Ora properties that have been identified as suitable for sale.

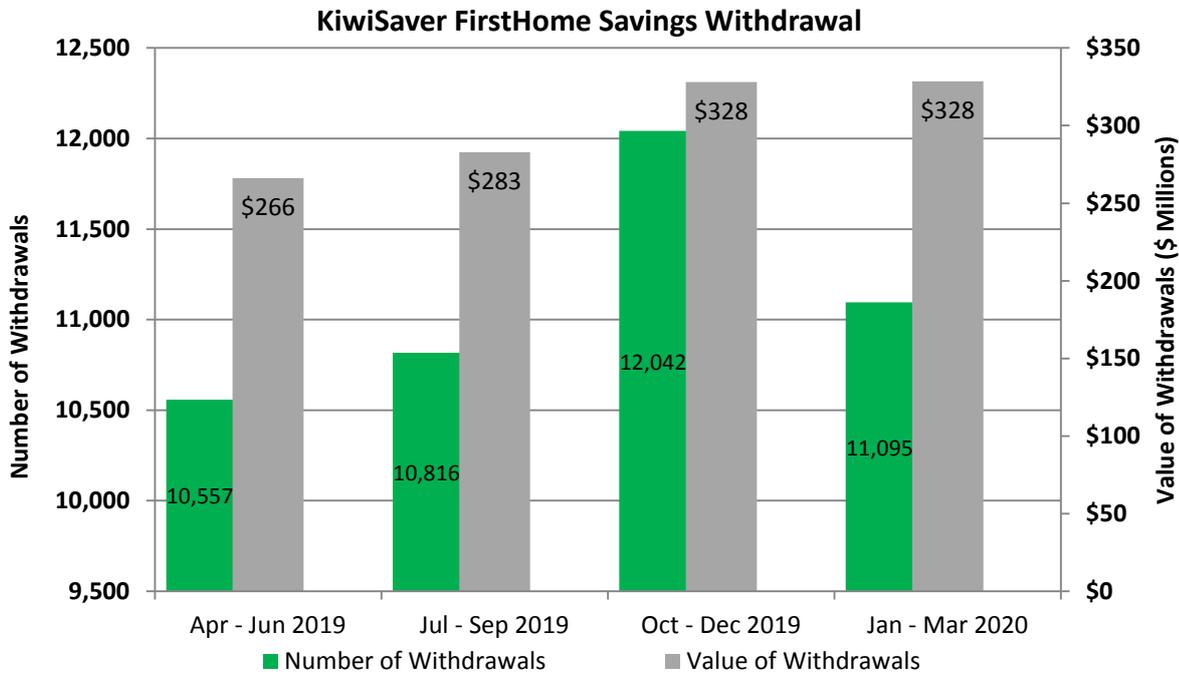
Tenant Home Ownership Programme



* 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 Kāinga Ora 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. All funds, except for \$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 Kāinga Ora and should the client be eligible, a letter is written to assist with their application to withdraw their contributions. The number of applications approved increased beginning with the July – September 2019 quarter, following the removal of the income cap test on 1 July 2016.

Previous Owner Savings Withdrawal Applications 1 April 2019 to 31 March 2020

