

Financial Products Quarterly Report

Period Ending 31 March 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Quarter	Received	Approved	Pre-Approval	Declined, Withdrawn and Other	In process at quarter's end
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
Jan – Mar 2017	8,333	4,062	4,545	2,036	357

KiwiSaver HomeStart Grant Overview by Territorial Local Authority (TLA) January to March 2017

TLA	Applications Approved			Properties Bought			Grants Paid			\$ Paid		
	Existing	New	Total	Existing	New	Total	Existing	New	Total	Existing	New	Total
Far North	44	4	48	29	3	32	37	5	42	157,000	36,000	193,000
Whangarei	54	10	64	35	7	42	48	10	58	221,000	94,000	315,000
Kaipara	15	0	15	13	0	13	17	0	17	74,000	0	74,000
Auckland	256	109	365	162	62	224	246	91	337	1,073,000	766,000	1,839,000
Franklin	0	0	0	0	0	0	0	0	0	0	0	0
Thames/Coromandel	6	1	7	5	1	6	6	1	7	23,000	6,000	29,000
Hauraki	14	0	14	10	1	11	12	2	14	48,000	18,000	66,000
Waikato	51	9	60	25	4	29	38	7	45	160,000	62,000	222,000
Matamata Piako	30	2	32	18	1	19	23	2	25	95,000	18,000	113,000
Hamilton	153	6	159	102	1	103	143	1	144	608,000	8,000	616,000
Waipa	33	0	33	19	0	19	25	0	25	105,000	0	105,000
Otorohanga	14	1	15	7	0	7	10	0	10	43,000	0	43,000
South Waikato	40	0	40	29	0	29	36	0	36	151,000	0	151,000
Waitomo	23	0	23	15	0	15	19	0	19	79,000	0	79,000
Taupo	61	3	64	37	1	38	51	1	52	224,000	10,000	234,000
Western BoP	23	5	28	12	2	14	16	3	19	72,000	24,000	96,000
Tauranga	91	26	117	49	17	66	72	24	96	313,000	228,000	541,000
Rotorua	79	0	79	53	0	53	68	0	68	290,000	0	290,000
Whakatane	28	0	28	18	0	18	22	0	22	96,000	0	96,000
Kawerau	11	0	11	6	0	6	9	0	9	38,000	0	38,000
Opotiki	9	0	9	6	0	6	8	0	8	38,000	0	38,000
Gisborne	46	1	47	24	1	25	29	1	30	129,000	10,000	139,000
Wairoa	10	0	10	8	0	8	11	0	11	53,000	0	53,000
Hastings	91	7	98	54	4	58	77	6	83	334,000	50,000	384,000

TLA	Applications Approved			Properties Bought			Grants Paid			\$ Paid		
	Existing	New	Total	Existing	New	Total	Existing	New	Total	Existing	New	Total
Napier	77	4	81	47	1	48	61	2	63	272,000	14,000	286,000
Ctrl Hawkes Bay	24	2	26	16	1	17	21	2	23	87,000	20,000	107,000
New Plymouth	67	11	78	53	7	60	68	11	79	298,000	94,000	392,000
Stratford	15	2	17	5	1	6	6	2	8	23,000	16,000	39,000
South Taranaki	37	0	37	15	0	15	20	0	20	86,000	0	86,000
Ruapehu	16	0	16	13	1	14	16	2	18	67,000	20,000	87,000
Wanganui	84	3	87	62	3	65	81	4	85	353,000	38,000	391,000
Rangitikei	32	1	33	19	1	20	25	1	26	111,000	10,000	121,000
Manawatu	71	8	79	43	7	50	64	13	77	283,000	124,000	407,000
Palmerston Nth	143	11	154	94	8	102	126	12	138	562,000	112,000	674,000
Tararua	35	0	35	29	0	29	36	0	36	155,000	0	155,000
Horowhenua	68	4	72	40	2	42	51	2	53	213,000	16,000	229,000
Kapiti Coast	40	2	42	28	1	29	38	2	40	164,000	14,000	178,000
Porirua	63	11	74	43	6	49	61	9	70	271,000	78,000	349,000
Upper Hutt	56	1	57	38	2	40	49	3	52	218,000	30,000	248,000
Lower Hutt	121	5	126	74	2	76	110	3	113	473,000	24,000	497,000
Wellington	56	11	67	44	4	48	55	6	61	235,000	60,000	295,000
Masterton	27	0	27	22	0	22	31	0	31	136,000	0	136,000
Carterton	6	3	9	3	2	5	3	2	5	10,000	20,000	30,000
South Wairarapa	8	0	8	5	1	6	5	2	7	22,000	16,000	38,000
Tasman	21	3	24	8	2	10	11	3	14	49,000	24,000	73,000
Nelson	73	7	80	48	3	51	67	3	70	294,000	30,000	324,000
Marlborough	55	1	56	38	2	40	50	3	53	214,000	28,000	242,000
Kaikoura	1	0	1	1	0	1	1	0	1	5,000	0	5,000
Buller	14	0	14	6	0	6	10	0	10	44,000	0	44,000
Grey	16	2	18	15	1	16	19	2	21	87,000	20,000	107,000
Westland	10	2	12	5	1	6	7	2	9	35,000	20,000	55,000
Hurunui	10	3	13	4	1	5	4	1	5	18,000	8,000	26,000
Waimakariri	65	12	77	41	9	50	57	13	70	250,000	108,000	358,000
Christchurch	501	85	586	311	53	364	418	71	489	1,825,000	598,000	2,423,000
Selwyn	36	55	91	22	34	56	33	55	88	155,000	486,000	641,000
Ashburton	48	4	52	37	1	38	50	2	52	219,000	16,000	235,000
Timaru	65	5	70	46	1	47	58	1	59	246,000	10,000	256,000
MacKenzie	1	0	1	2	0	2	2	0	2	10,000	0	10,000
Waimate	8	1	9	2	0	2	4	0	4	19,000	0	19,000
Chatham Islands	1	0	1	1	0	1	1	0	1	5,000	0	5,000
Waitaki	40	0	40	26	0	26	32	0	32	140,000	0	140,000
Central Otago	18	4	22	13	4	17	19	6	25	81,000	54,000	135,000
Queenstown Lakes	5	3	8	0	2	2	0	2	2	0	18,000	18,000
Dunedin	180	2	182	135	2	137	184	2	186	797,000	20,000	817,000
Clutha	26	4	30	11	1	12	15	2	17	68,000	18,000	86,000
Southland	27	1	28	16	1	17	19	1	20	82,000	10,000	92,000
Gore	24	0	24	21	0	21	24	0	24	103,000	0	103,000
Invercargill	126	6	132	92	3	95	115	4	119	507,000	28,000	535,000
Total	3,599	463	4,062	2,330	276	2,606	3,150	405	3,555	13,716,000	3,532,000	17,248,000

	Apr – Jun 2016	Jul – Sept 2016	Oct - Dec 2016	Jan - Mar 2017	Total for last 4 quarters	Total since 1 Apr 2015
Total HomeStart grants paid	\$17,173,000	\$16,328,000	\$22,170,000	\$17,248,000	\$72,919,000	\$128,557,000
Existing properties	\$13,851,000	\$12,596,000	\$17,058,000	\$13,716,000	\$57,221,000	\$103,511,000
New properties	\$3,322,000	\$3,732,000	\$5,112,000	\$3,532,000	\$15,698,000	\$25,046,000
Average individual grant for new build	\$8,562	\$8,720	\$8,506	\$8,721	\$8,616	\$8,557
Average individual grant for existing properties	\$4,316	\$4,309	\$4,336	\$4,357	\$4,330	\$4,303
Average amount paid out per new build	\$12,728	\$12,825	\$12,877	\$12,797	\$12,815	\$12,580
Average amount paid out per existing property	\$5,718	\$5,744	\$5,818	\$5,887	\$5,783	\$5,695

Average subsidy/grant payments from July 2014 to March 2017

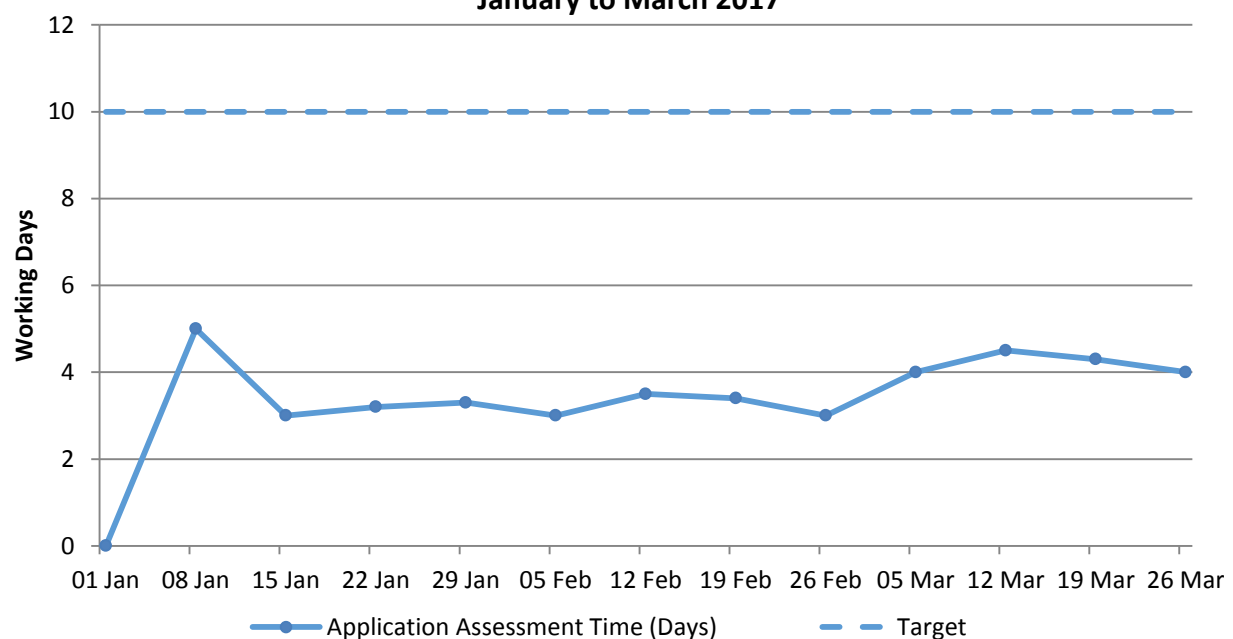
KiwiSaver deposit subsidy average amounts paid out from Jul 2014 to Mar 2015

	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 March 2017

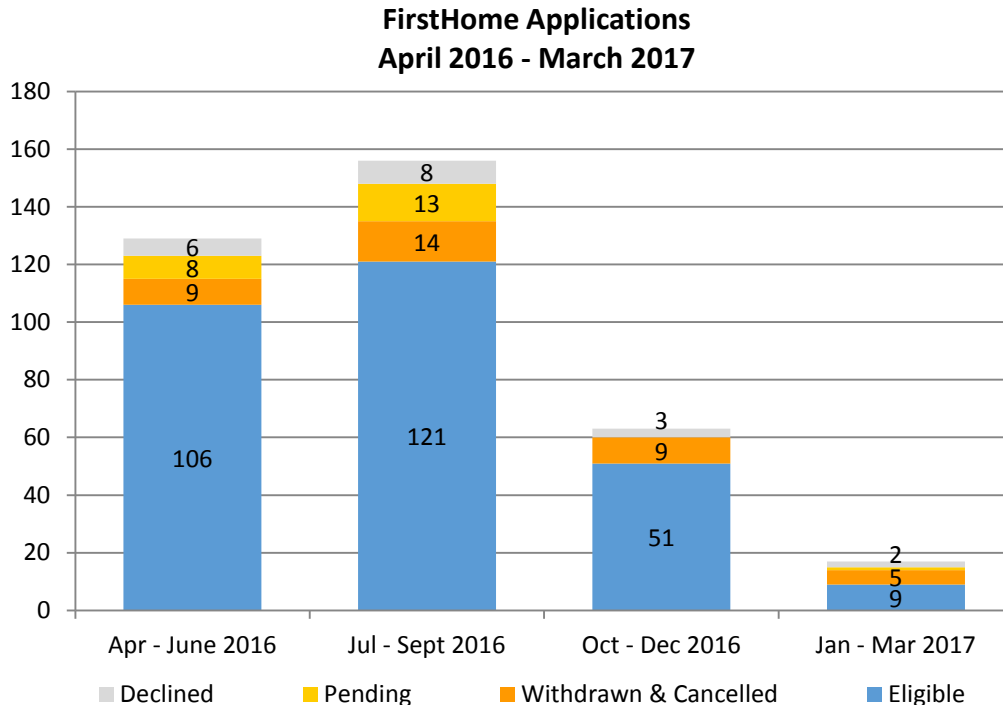
	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016
Average (\$)	4,720	4,645	4,519	4,679	4,663	4,634	4,682	4,725	4,715	4,669	4,667	4,590
	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017
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

KiwiSaver HomeStart Application Processing Time January to March 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 quarter.



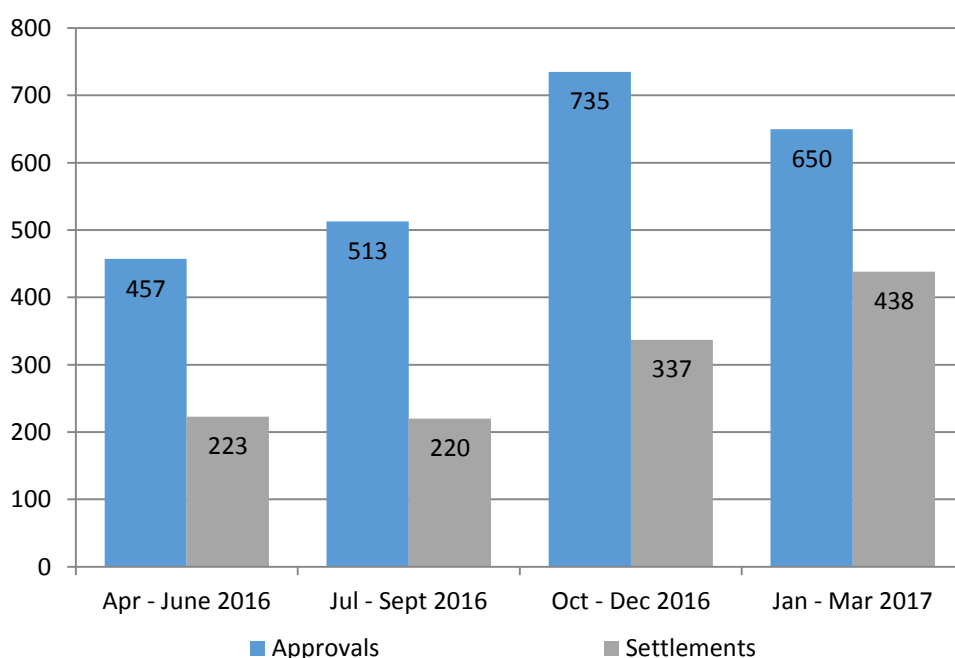
FirstHomes sold from October 2013 to 31 March 2017					
Awanui/Waharoa/Te Aroha	4	Kaiwaka/Kawakawa	6	Stratford	7
Balclutha	3	Levin	14	Taihape	3
Blenheim	5	Matamata	5	Taumarunui	15
Bulls	3	Milton	4	Te Anau	1
Cheviot/Waiau	2	Morrinsville	2	Te Kuiti	7
Coopers Beach	1	Napier	7	Thames	3
Cromwell	1	Nelson	2	Timaru/Geraldine	3
Dargaville	2	Netherton	1	Tokoroa	7
Dunedin	19	New Plymouth	1	Turangi	1
Edgecumbe	1	Oamaru/Ranfurlly	1	Upper Hutt	7
Eltham	3	Okaihau	6	Waihi	1
Flaxmere	13	Opotiki	1	Waipawa	4
Foxton	11	Opunake	4	Waipukurau	16
Gore	5	Otaki	3	Wairoa	8
Greymouth	8	Otorohanga	2	Waverley	1
Hastings	10	Putaruru	10	Wellington	3
Havelock North	6	Palmerston North	4	Westport/Ngakawau	12
Hawera/Manaia	13	Patea	5	Whakatane	1
Hokitika	1	Picton	8	Whanganui	85
Hunterville	1	Rangiora	1	Whangarei	4
Invercargill	15	Rotorua	3	Whitianga	2
Kaikohe/Kaitaia/Waimamaku	13	Shannon	3		
Kaikoura	1		3		
Total			428		

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.

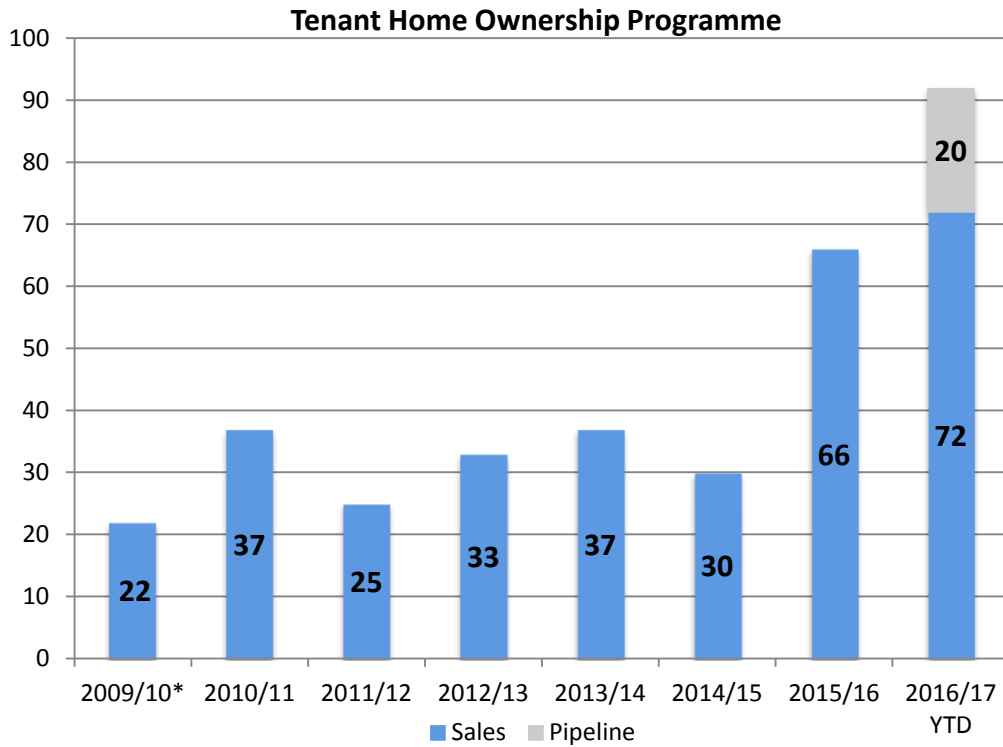
Welcome Home Loans - Approvals and Settlements



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.

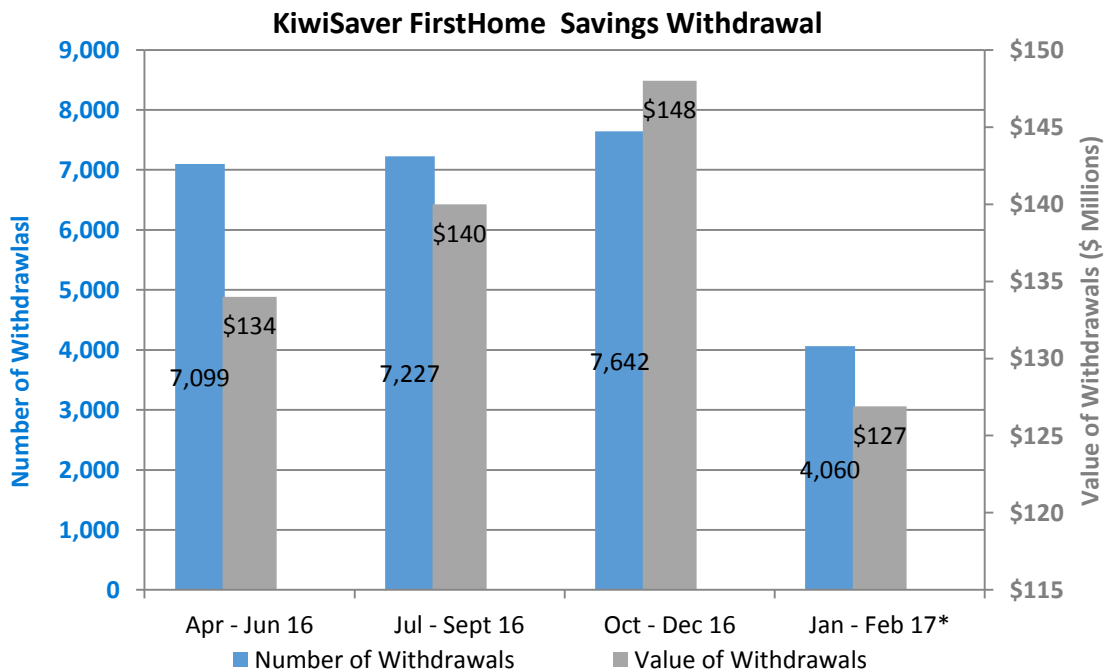
From 1 December 2015 Housing New Zealand made the FirstHome grant of 10 per cent of the purchase price, capped at \$20,000 available for eligible Housing New Zealand tenants who wish to buy their tenanted properties.



* The programme began in September 2009

KiwiSaver 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.



* March 2017 figures not yet available

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.

