

Financial Products Quarterly Report

Period Ending 30 June 2015

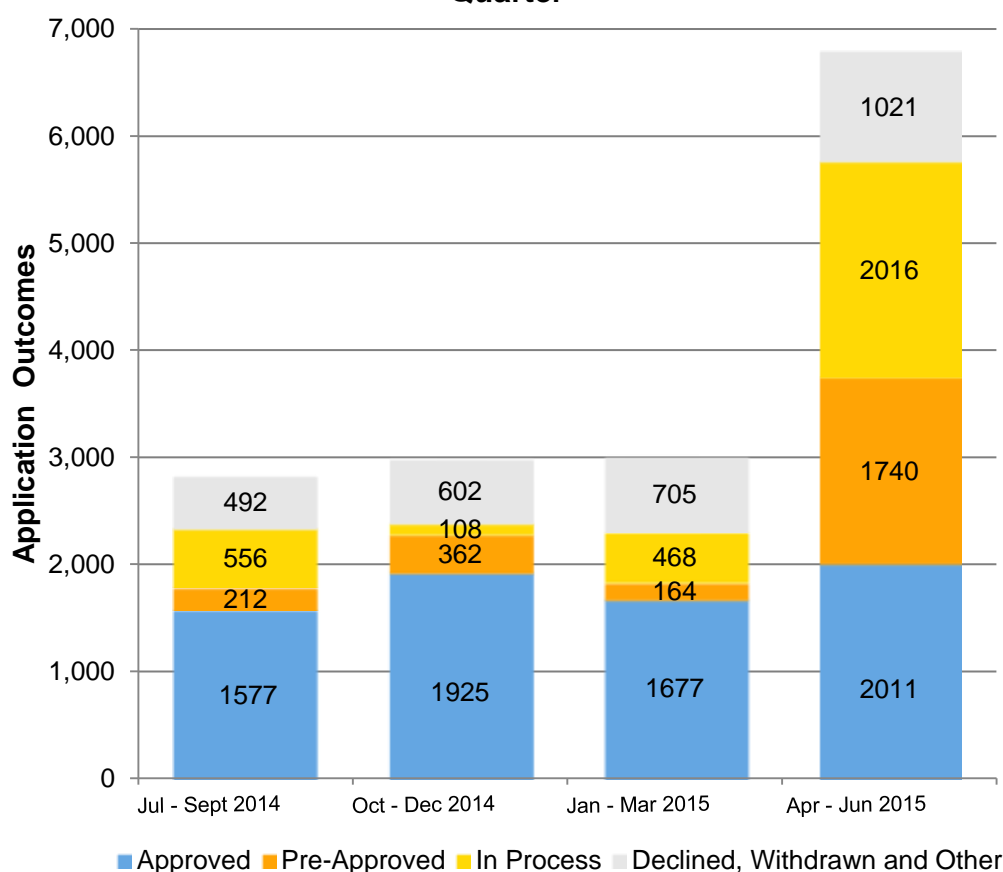
KiwiSaver HomeStart Grant

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.

Demand for the new grant has been significantly larger than what it was for the deposit subsidy and this has resulted in some processing issues. However, with the application of additional resources timeframes for processing an application are now within agreed timeframes.

Status of KiwiSaver HomeStart Applications by Quarter



HomeStart Applications – by Quarter

Quarter	Approved	Pre-Approved	In Process	Declined, Withdrawn and Other	Total
Jul - Sept 2014	1577	212	556	492	2837
Oct - Dec 2014	1925	362	108	602	2997
Jan - Mar 2015	1677	164	468	705	3014
Apr - Jun 2015	2011	1740	2016	1021	6788

KiwiSaver HomeStart Grant Overview by Territorial Local Authority to June 2015

TLA	Applications Approved			Grants paid			Properties bought			\$ Paid		
	Existing	New	Total	Existing	New	Total	Existing	New	Total	Existing	New	Total
Far North	15	-	15	12		12	10		10	53,000		53,000
Whangarei	55	1	56	45	1	46	35	1	36	188,000	6,000	194,000
Kaipara	2	-	2	2		2	2		2	10,000		10,000
Auckland	191	48	239	162	31	193	121	21	142	675,000	278,000	953,000
Thames/ Coromandel	6	-	6	3		3	2		2	12,000		12,000
Hauraki	8	-	8	7		7	5		5	27,000		27,000
Waikato	24	1	25	18	1	19	17	1	18	84,000	10,000	94,000
Matamata Piako	18	-	18	15		15	12		12	61,000		61,000
Hamilton	95	8	103	81	4	85	59	3	62	346,000	30,000	376,000
Waipa	31	-	31	26		26	19		19	120,000		120,000
Otorohanga	4	-	4	-	-	-	-	-	-	-	-	-
South Waikato	14	-	14	7		7	7		7	30,000		30,000
Waitomo	6	-	6	4		4	3		3	18,000		18,000
Taupo	21	-	21	14		14	12		12	54,000		54,000
Western BoP	15	3	18	10	2	12	9	1	10	46,000	16,000	62,000
Tauranga	60	22	82	43	16	59	33	11	44	177,000	134,000	311,000
Rotorua	39	-	39	28		28	22		22	119,000		119,000
Whakatane	21	-	21	15		15	11		11	62,000		62,000
Kawerau	7	-	7	5		5	4		4	22,000		22,000
Opotiki	1	-	1	1		1	1		1	5,000		5,000
Gisborne	19	2	21	16	2	18	12	1	13	64,000	18,000	82,000
Hastings	32	-	32	28		28	22		22	117,000		117,000
Napier	45	-	45	31		31	21		21	135,000		135,000
Central Hawkes Bay	11	-	11	9		9	7		7	40,000		40,000
New Plymouth	41	-	41	31		31	24		24	132,000		132,000
Stratford	7	-	7	6		6	4		4	27,000		27,000
South Taranaki	8	-	8	5		5	5		5	24,000		24,000
Ruapehu	3	-	3	2		2	1		1	8,000		8,000
Wanganui	42	1	43	31	1	32	28	1	29	135,000	10,000	145,000
Rangitikei	8	-	8	4		4	4		4	16,000		16,000
Manawatu	21	-	21	15		15	11		11	66,000		66,000
Palmerston North	66	1	67	57		57	44		44	242,000		242,000
Tararua	9	-	9	6		6	5		5	26,000		26,000
Horowhenua	22	2	24	17	2	19	15	2	17	71,000	16,000	87,000
Kapiti Coast	18	-	18	14		14	10		10	60,000		60,000
Porirua	31	3	34	24	3	27	17	3	20	107,000	24,000	131,000
Upper Hutt	28	6	34	23	6	29	19	4	23	99,000	52,000	151,000
Lower Hutt	92	13	105	74	10	84	47	7	54	310,000	84,000	394,000
Wellington	44	6	50	37	2	39	27	1	28	162,000	14,000	176,000
Masterton	23	-	23	15		15	11		11	69,000		69,000
South Wairarapa	2	2	4	2	2	4	2	1	3	9,000	14,000	23,000
Tasman	17	2	19	14		14	11		11	57,000		57,000
Nelson	56	-	56	45		45	35		35	194,000		194,000

Marlborough	32	4	36	25	2	27	22	1	23	106,000	16,000	122,000
Kaikoura	1	-	1	1		1	1		1	5,000		5,000
Grey	7	-	7	4		4	3		3	16,000		16,000
Westland	7	-	7	7		7	4		4	29,000		29,000
Hurunui	7	-	7	5		5	3		3	24,000		24,000
Waimakariri	24	19	43	20	15	35	15	8	23	82,000	124,000	206,000
Christchurch	186	21	207	154	15	169	118	10	128	634,000	128,000	762,000
Selwyn	7	13	20	3	9	12	2	6	8	14,000	82,000	96,000
Ashburton	17	-	17	14		14	11		11	59,000		59,000
Timaru	33	-	33	27		27	21		21	110,000		110,000
Waimate	2	-	2	2		2	2		2	10,000		10,000
Waitaki	18	-	18	16		16	16		16	67,000		67,000
Central Otago	25	-	25	20		20	15		15	86,000		86,000
Queenstown Lakes	9	5	14	8	3	11	5	2	7	34,000	26,000	60,000
Dunedin	86	3	89	73	2	75	54	1	55	318,000	14,000	332,000
Clutha	7	-	7	5		5	5		5	17,000		17,000
Southland	9	2	11	6		6	5		5	22,000		22,000
Gore	13	-	13	12		12	9		9	47,000		47,000
Invercargill	53	2	55	37		37	32		32	149,000		149,000
Total	1821	190	2011	1443	129	1572	1109	86	1195	6,108,000	1,096,000	7,204,000

Total HomeStart grants paid \$7,204,000
Existing properties \$6,108,000
New properties \$1,096,000

Average individual grant for new build \$8,496
Average individual grant for existing properties \$4,233
Average amount paid out per existing property \$5,508
Average amount paid out per new build \$12,744

Average subsidy/grant payments from April 2014 to June 2015

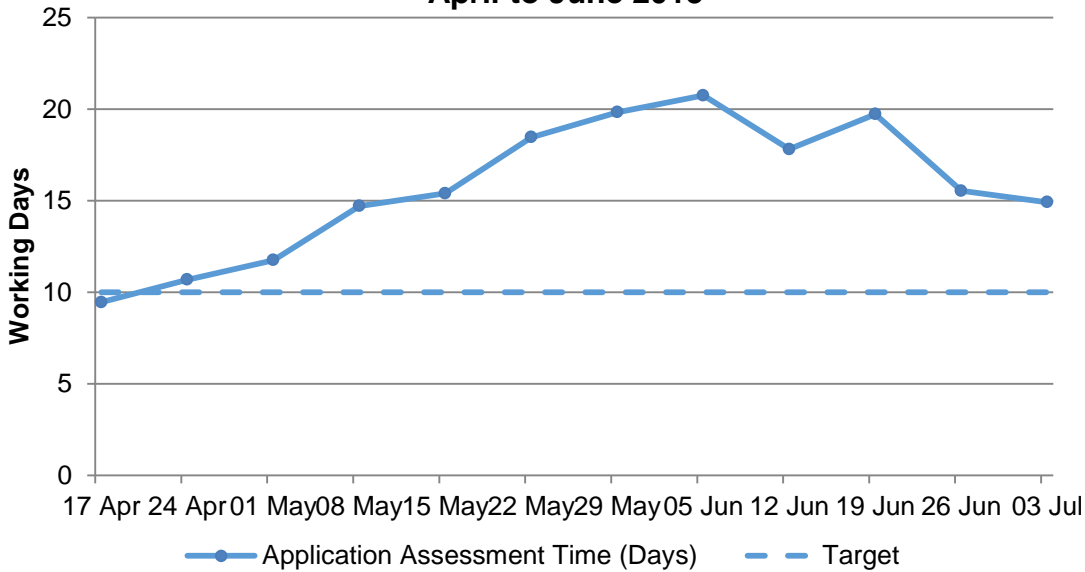
KiwiSaver deposit subsidy average amounts paid out from July 2014 to March 2015

	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 2015

	Apr 2015	May 2015	Jun 2015
Average (\$)	4,720	4,645	4,519

KiwiSaver HomeStart Application Processing Time April to June 2015

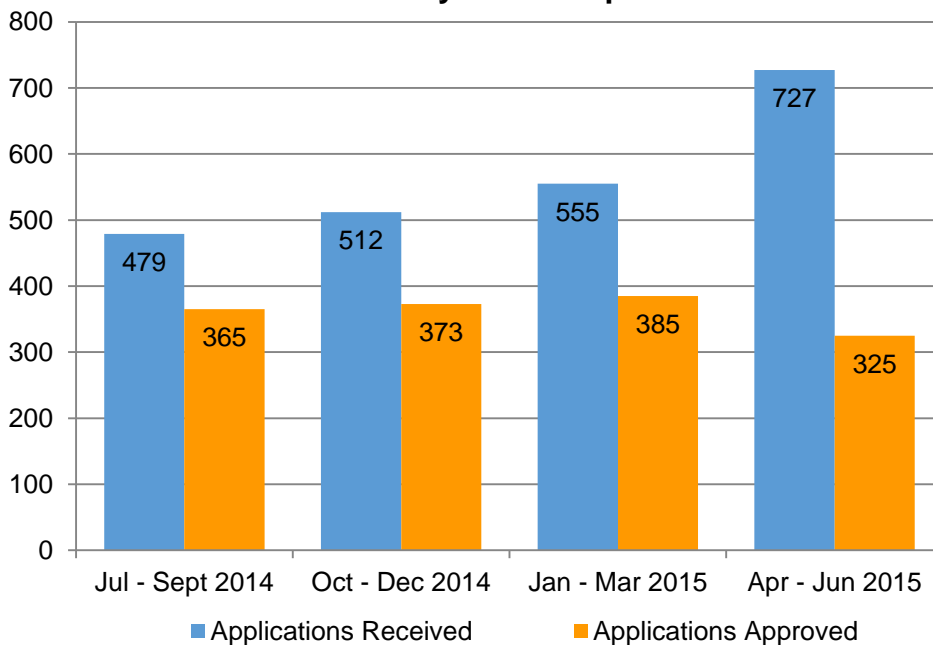


KiwiSaver Savings Withdrawal Determination for Previous Home Owners

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.

Previous Owner Savings Withdrawal Applications July 2014 to April 2015*

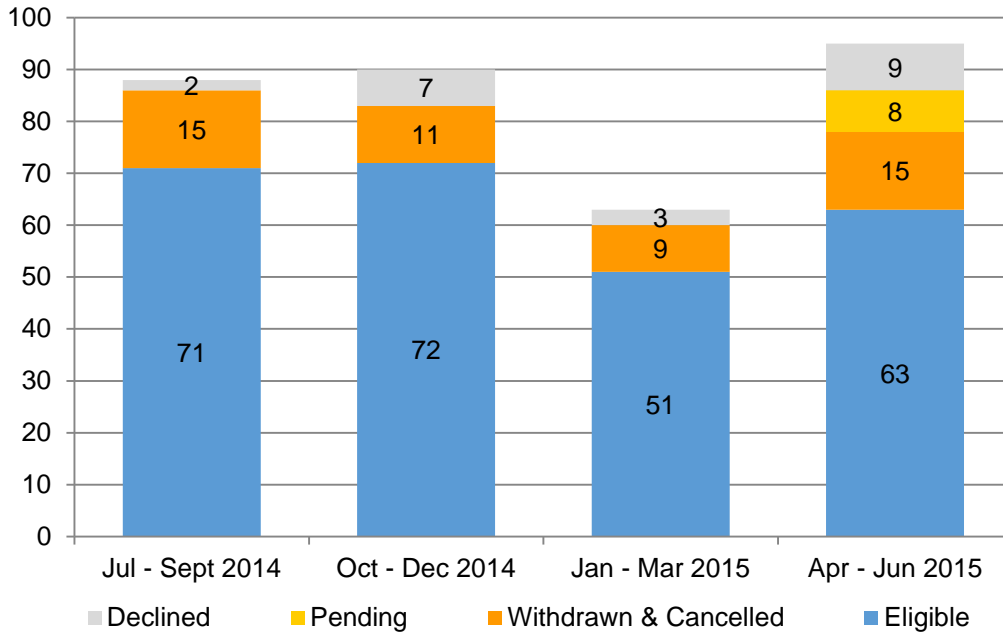


* In Q4, there would still be a number of applications where Housing New Zealand are awaiting further documents from applicants, in order to complete the assessment of their applications.

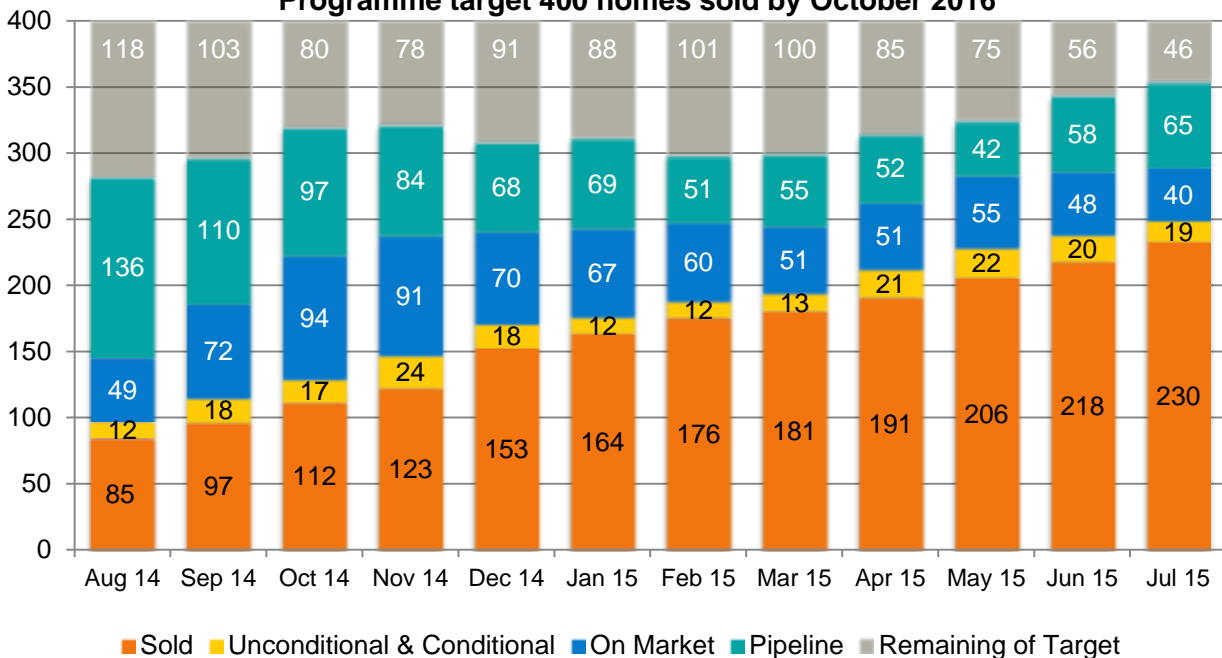
FirstHome Ownership Scheme

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% 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
July 2014 - June 2015**



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



FirstHomes sold from October 2013 to 21 July 2015 by TLA

Awanui	2	Kaikohe/Kaitaia	6	Rotorua	1
Balclutha	3	Kaiwaka	2	Shannon	1
Blenheim	5	Levin	12	Stratford	5
Bulls	1	Manaia	1	Taihape	2
Coopers Beach	1	Marton	4	Taumarunui	6
Cromwell	1	Matamata	4	Te Kuiti	2
Dargaville	2	Milton	1	Thames	1
Dunedin	16	Morrinsville	4	Timaru	2
Edgecumbe	1	Napier	1	Waihi	1
Flaxmere	12	Netherton	1	Waipawa	2
Foxton	8	Opotiki	4	Waipukurau	6
Gore	2	Opunake	2	Wairoa	2
Geraldine	1	Otaki	1	Wanganui	52
Greymouth	4	Otorohanga	5	Waverley	1
Hastings	3	Paeroa	2	Wellington	1
Havelock North	4	Palmerston North	1	Westport	4
Hawera	4	Patea	6	Whakatane	1
Invercargill	11	Picton	1	Whangarei	1
Total				230	

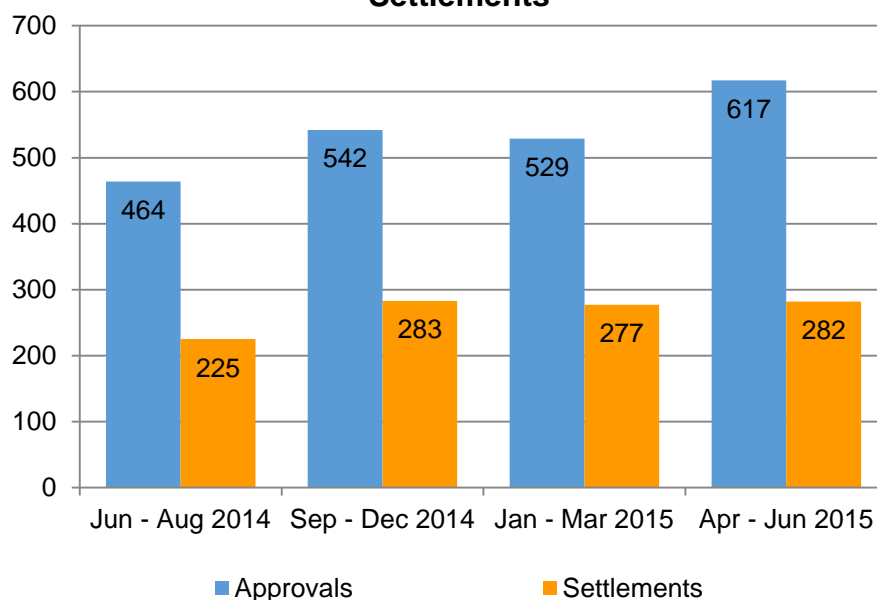
Sale Price of Settled Properties	\$24,635,000
Number of FirstHome Grants paid Out	230
Value of Paid Grants	\$2,441,900
Grants Repaid	1
Value of Repaid Grants	\$16,000

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.

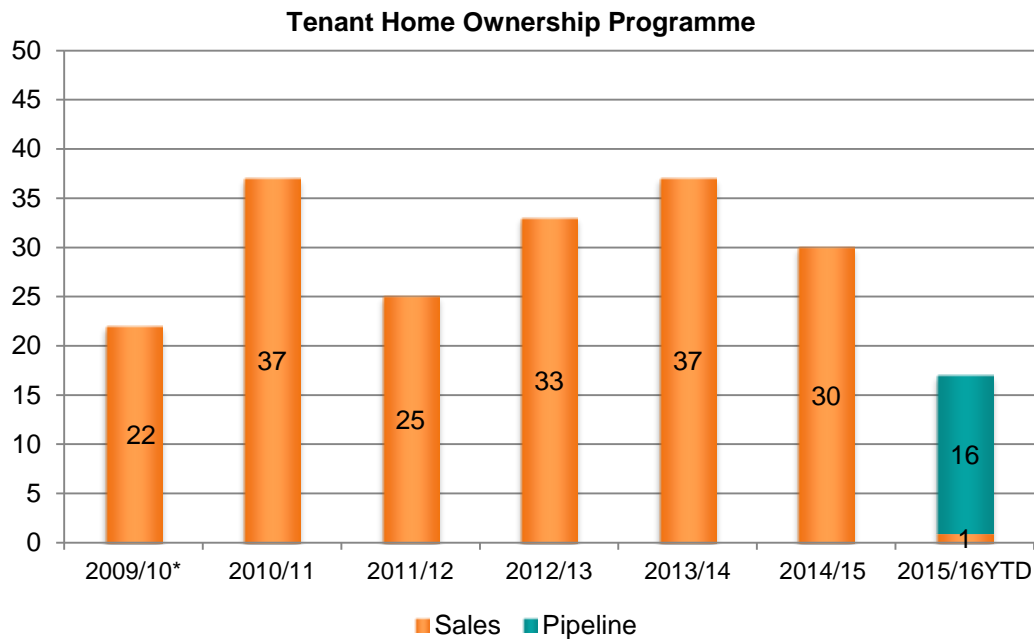
Housing New Zealand does not issue the loan. This is done through normal lenders such as selected banks and credit unions. Housing New Zealand underwrites the loan for the lender. Individual applicants are required to meet the lender's specific lending criteria. Income and House Price Caps apply.

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.



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. It is the intention that data on the withdrawals will be available from the next quarterly report onward. Although Housing New Zealand does not administer this withdrawal, it forms part of the Government's programme of assistance for first home buyers.