

## Questions and answers

### 1. When can I apply for a KiwiSaver HomeStart grant?

Housing New Zealand will start accepting applications for KiwiSaver HomeStart from 1 April 2015, when the scheme comes into effect.

### 2. Do I have to be a member of KiwiSaver to apply for a HomeStart grant?

Yes. To apply for a HomeStart grant you need to be a member of a KiwiSaver scheme, complying fund or exempt employer scheme. You can check your eligibility by contacting your scheme provider.

### 3. What is meant by a 'new home'?

Eligible purchasers can use their HomeStart grant towards a new property. This include the following options, provided that the land types are either fee simple, stratum estate freehold and leasehold, cross-lease, leasehold and multiple owned Maori land:

- A vacant residential section on which a new dwelling will be built;
- A house and land package purchased off the plans;
- A new apartment built off the plans; and
- A newly-built property, defined as a dwelling of any type that has received its building code compliance certificate less than six months before the date of the buyer's application.

### 4. What is the maximum grant amount or number of grants that can be used for the purchase of a single dwelling?

For an older/existing property the maximum grant amount is \$10,000 for a single dwelling. For a new property, the maximum grant amount is \$20,000 for a single dwelling.

### 5. If I have a valid KiwiSaver deposit subsidy pre-approval that is due to expire sometime after 1 April 2015, do I automatically get a KiwiSaver HomeStart pre-approval?

No. You will be required to complete a new application and to submit it for consideration. This is because there are some differences between the products.

### 6. Is there a limit to the value of the house I can purchase and still qualify for a HomeStart grant?

Yes, the price caps vary by region:

- Auckland – \$550,000;
- Hamilton City, Tauranga City, Western Bay of Plenty, Kapiti Coast, Porirua City, Upper Hutt, Hutt City, Wellington City, Nelson City, Tasman, Waimakariri, Christchurch City, Selwyn District, Queenstown Lakes – \$450,000; and
- Rest of New Zealand – \$350,000.

**7. I am looking at purchasing a brand new apartment off the plans from a developer. The developer has indicated that to secure the apartment that I want, I need to pay them a \$20,000 deposit upfront. Can I use the HomeStart grant for this?**

Yes. If you are eligible for a HomeStart grant, you can arrange for your grant to go towards the first payment that you make under the agreement with the developer.

**8. I am buying an existing property. Can the HomeStart grant be paid as part of the deposit I need to pay to the real estate agent handling the sale?**

No. For the purchase of existing properties, the earliest the HomeStart grant can be paid is on the morning of the property settlement.

**9. I entered into an agreement to buy a house and land package with a developer several months ago. The property is due for completion in June 2015. I have paid the developer a \$40,000 deposit. Can I still apply for the grant and if I am eligible, when will I have to make payment?**

You will need to complete a HomeStart grant application form and submit it along with the required supporting documents from 1 April 2015 onwards. As you are not due to settle until June, this provides sufficient time to process the application and if eligible pay the grant. As you have already paid the deposit to your developer, if you are deemed to be eligible for the grant, then the funds would not be released to your solicitor until the new property is due to settle. Therefore, you will need to provide Housing New Zealand with confirmation that the property has received a code compliance certificate and certificate of title no later than 10 working days prior to the agreed settlement date.

**10. How soon do I need to move into the property I am building, in order to keep my HomeStart grant?**

If you are buying land to build your first home, you must at the time of submitting your application, provide a copy of the fixed price building contract that also clearly states the anticipated construction completion date. You must then provide a copy of the code compliance certificate on or before this date. If you are buying a property off the plans, you need to commence residing in the property from the settlement date. However, the agreement you submit with your application will need to stipulate a construction completion date, in order to be considered.

All grant recipients are then required to live in the completed property for at least six months.

**11. I am buying a section on which I will have my first home built. What do I need to submit with my application form to be considered for a HomeStart grant?**

In addition to the completed application form and supporting documents that all applicants need to submit, you will need to provide Housing New Zealand with a copy

of a signed fixed price building contract that clearly shows the agreed cost to build your home and a completion date for the construction of the property. You will also need to include a signed copy of the sale and purchase agreement for the land that you are buying.

### **12. I am a previous home owner. Can I apply for the HomeStart grant?**

Yes. The general eligibility criteria for the KiwiSaver HomeStart grant is the same as for the KiwiSaver First Home Deposit Subsidy. Therefore, provided you no longer have an interest in property and are deemed to be in the same financial position as a first home buyer in terms of income and realisable assets, you could still qualify for the HomeStart grant.

### **13. I was considering applying for a KiwiSaver First Home Deposit Subsidy pre-approval in March. However, now that HomeStart is launching on 1 April 2015, what should I do?**

If you are considering applying only for a pre-approval and you do not have a signed agreement for sale and purchase, it is recommended that you hold off and wait to apply for a HomeStart pre-approval from 1 April. That way you may also be able to consider new build properties (which weren't covered by the KiwiSaver First Home Deposit Subsidy), and you will be eligible for the new house price caps that come into effect from 1 April. If you apply for a KiwiSaver deposit subsidy prior to 31 March 2015, you will only be entitled to purchase a home with the existing house price caps and you will only be eligible for the \$3,000 to \$5,000 subsidy.

However, if you have an agreement for sale and purchase that is due to settle in late March to early April then you are encouraged to complete the current application form for the KiwiSaver First Home Deposit Subsidy, so you remove the risk of missing out on a subsidy.

### **14. How can I find out more about HomeStart?**

Further information is available at: [www.kiwisaver-homestart.co.nz](http://www.kiwisaver-homestart.co.nz). Alternatively, you can email: [kiwisaver.enquiries@hnzc.co.nz](mailto:kiwisaver.enquiries@hnzc.co.nz) or call 0508 935 266.