

FAQ – First Home Funding

1. What is the eligibility criteria to withdraw from KiwiSaver?

To be eligible you must:

- be purchasing your first home, or be eligible for the KiwiSaver second chance withdrawal;
- intend to live in the property for at least six months. A first home withdrawal can't be used on a rental or investment property;
- have been a member of KiwiSaver for a minimum of three years;
- be purchasing a property in New Zealand.

2. What is the eligibility criteria to withdraw a First Home Grant?

To be eligible you must:

- be over 18 years;
- fall within the set income caps in the last 12 months (set out below);
- not currently own a property;
- have been contributing at least the minimum amount to KiwiSaver for 3 or more years;
- purchase a property that is within the regional house price caps (detailed below); and
- live in the property for at least 6 months.

3. If I am eligible for one of the Schemes does that mean I am eligible for the other?

No, the schemes are separate and have different eligibility criteria. It is important to check whether you meet the criteria as early as possible in the purchasing process.

4. Can my partner/spouse and I both use our KiwiSaver/First Home Grants to contribute towards the purchase of our first home?

Yes. If you both meet the eligibility criteria then both of you can make separate applications to your respective KiwiSaver provider(s) and Kāinga Ora. If one of you has already used your KiwiSaver to purchase a property, that is also fine. The fact your partner has already purchased doesn't restrict your individual ability to apply and make a withdrawal.

5. What is the maximum amount I can withdrawal from KiwiSaver/First Home Grant?

You can use all of your KiwiSaver funds less \$1,000.00, which must be left in your KiwiSaver Account.

If you meet the eligibility criteria above, you may be eligible for a First Home Grant of up to \$10,000.00 (a couple could receive up to \$20,000.00)

Years making minimum contribution (or more)	Funds available for an existing home	Funds available for a new build home
Three years	\$3,000	\$6,000
Four years	\$4,000	\$8,000
Five years	\$5,000	\$10,000

6. How long is the whole KiwiSaver Withdrawal/First Home Grant process?

There are a lot of factors that determine the timing of the withdrawal process. This depends on whether you have pre-approval, the KiwiSaver provider and whether you require the funds to contribute towards your deposit or to be paid on settlement. Generally the minimum timeframe you should allow is 10 working days and but preferably (especially if you haven't obtained pre-approval) 20 working days.

7. At what point do I need to tell my Solicitor?

As soon as you begin looking for a property you should contact your solicitor to let them know you intend to use your KiwiSaver and/or the First Home Grant. It is important you have your solicitor review any Agreement for Sale and Purchase prior to signing to ensure you will have sufficient time to complete your withdrawal applications.

8. Can I use KiwiSaver and the First Home Grant to pay my deposit if I purchase at auction?

Unlikely. If you are purchasing at auction you will need to be prepared to pay the deposit yourself. It is unlikely that you will be able to access your KiwiSaver withdrawal due to the tight timeframe. It is vital that you have sufficient funds upfront to meet this. You will then need to allow the minimum 15 working days before settlement for the application to be processed. We recommend obtaining pre-approval for the KiwiSaver withdrawal and First Home Grants prior to bidding at auction.

9. Is there an income cap on KiwiSaver?

No. The only income cap that applies is to the First Home Grant. The income caps are as follows:

In the 12 months before you apply, you must have earned:

- \$95,000.00 or less before tax for a single buyer
- \$150,000.00 or less before tax for 2 or more buyers.

10. What regional caps apply to the First Home Grant?

Region	Existing / Older Properties	New Properties
Auckland	\$625,000	\$700,000
Queenstown Lakes District	\$600,000	\$650,000
Kāpiti Coast District, Porirua City, Upper Hutt City, Hutt City, Wellington City	\$550,000	\$650,000
Hamilton City, Tauranga City, Western Bay of Plenty District, Waipa District, Hastings District, Napier City, Nelson City, Tasman District	\$525,000	\$600,000
Waimakariri District, Christchurch City, Selwyn District	\$500,000	\$550,000
Waikato District, Dunedin City	\$425,000	\$550,000
Rest of New Zealand	\$400,000	\$500,000

Regions are defined by city and district council boundaries.

11. Can I purchase bare land/section using my KiwiSaver?

Yes. It can also be used towards a house and land package. There are no restrictions on when a house has to be built. The only restrictions that may apply would be the finance requirements from your bank.

12. Does the money come into my personal bank account?

No. The funds are to be paid directly to your solicitor's trust account and your solicitor will make payment to the vendor on your behalf.

13. What happens if I have used the funds to pay the deposit and the Agreement falls over?

If the funds are used towards the deposit your solicitor would have drafted the right clause to protect these funds. The Vendor will be required to refund the deposit to your solicitor's trust account and they would then refund it back to the provider. You would need to make a new application should you wish to purchase another property. However, if the Agreement falls over and you are at fault, the Vendor is not obligated to return your deposit funds.

Updated: 22 June 2021

