



## Examples of people who are now eligible for first home support

The examples are reflective of current lending practices, assume an interest rate of 5.0 percent, and a 30-year mortgage term.

### Examples

1



#### Dual income household buying existing home

Two teachers with five years' experience have a combined income of \$150,000. They are looking to buy an existing two-bedroom home for \$740,000 in South Auckland. Both have been contributing to KiwiSaver for five years and have other savings. They have a \$75,000 deposit.

2



#### Single parent family looking to buy existing home

A school principal with one child earns \$120,000. The principal is looking to buy an existing two-bedroom home for \$620,000 in Upper Hutt. They have been contributing to KiwiSaver for eight years and have other savings. They have a \$75,000 deposit.

3



#### Single person buying a two-bedroom unit

A self-employed landscaper earns \$95,000. The buyer is looking to buy an existing two-bedroom unit for \$500,000 in Palmerston North. They have been making a voluntary contribution of at least \$2,000 to KiwiSaver for over 10 years and have other savings. They have a deposit of \$65,000.

4



#### Dual income household in rent-to-buy scheme

A qualified builder and an early childhood teacher have a combined income of \$125,000. They began renting a brand new three-bedroom property in Dunedin at the start of 2017 through a Kāinga Ora – Homes and Communities approved rent to buy scheme. They are now ready to purchase this property after five years of financial planning and saving through KiwiSaver. The home will cost them \$600,000. They have a deposit of \$45,000.

5



#### Large whānau looking to relocate

A large whānau from Whangārei runs a small business and earns \$100,000. They are looking to relocate a home onto their whenua near Whangārei. The house and relocation will cost \$400,000. The whānau has been contributing to KiwiSaver for eight years and has a deposit of \$35,000.

## Policy changes that support the example households

## Outcome



- Increased house price caps for the First Home Grant
- The removal of the house price caps from the First Home Loan

The buyers can now access the First Home Grant and First Home Loan where previously they could not. Their total deposit increases to \$85,000 as they are eligible for two \$5,000 grants. They will have a monthly mortgage payment of \$3,550, or around 28 percent of their pre-tax income.



- Introducing an income cap for individual buyers with dependents
- Increased house price caps for the First Home Grant
- The removal of the house price caps from the First Home Loan

The buyer can now access the First Home Grant and First Home Loan where previously they could not. Their deposit increases to \$80,000 as they are eligible for a \$5,000 grant. They will have a monthly mortgage payment of \$2,930, or around 29 percent of their pre-tax income.



- The adjustment to the KiwiSaver contribution requirement
- Increased house price caps for the First Home Grant
- The removal of the house price caps from the First Home Loan

The buyer can now access the First Home Grant and First Home Loan where previously they could not. Their deposit increases to \$70,000 as they are eligible for a \$5,000 grant. They will have a monthly mortgage payment of \$2,330, or around 29 percent of their pre-tax income.



- The adjustment to the definition of new properties for rent to buy schemes
- Increased house price caps for the First Home Grant
- The removal of the house price caps from the First Home Loan

The buyers can now access the First Home Grant and First Home Loan where previously they could not. Their deposit increases to \$65,000 as they are eligible for two \$10,000 new build grants. They will have a monthly mortgage payment of \$2,900, or around 28 percent of their pre-tax income.



- The increased loan cap for the Kāinga Whenua Loan
- The adjustment to the definition of new properties for relocatable homes

They can now access the new build First Home Grant and the Kāinga Whenua Loan where previously they could not. Their total deposit increases to \$55,000 as they are eligible for two \$10,000 grants. They will have a monthly mortgage payment of \$1,870, or around 22 percent of their pre-tax income.

Find out more: [www.hud.govt.nz/residential-housing/first-home-products/examples-of-people-who-are-eligible-for-first-home-support/](http://www.hud.govt.nz/residential-housing/first-home-products/examples-of-people-who-are-eligible-for-first-home-support/)