

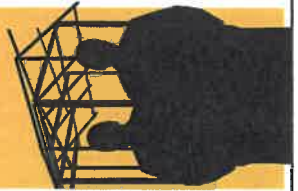


Changes for First Home and KiwiBuild buyers

KiwiBuild rules and support for first home buyers are changing. From 1 October, 2019 the Welcome Home Loan becomes the First Home Loan and KiwiSaver HomeStart becomes the First Home Grant.

The key changes are

	Previous rules	New rules	Extending Home Ownership Support	Previous rules	New rules
KiwiBuild	<p>Buyers must commit to live in the home for three years</p> <p>All homes must be priced below price caps, resulting in low numbers of four-bedroom and larger homes</p> <p>People who have previously owned homes 'second chancers' cannot have assets worth more than 20% of the relevant First Home Grant price cap for an existing home</p>	<p>Buyers of studio and one-bedroom homes commit to live in the home for one year</p> <p>Up to 10% of KiwiBuild homes in development can be over price cap if they are four-bedrooms or larger</p> <p>No asset limit for 'second chancers'. They will still have to not currently own a home, and meet the other criteria including an income test</p>	<p>Extending Home Ownership Support</p>	<p>First Home Grant is capped at twice the individual cap for each property bought by three or more buyers</p> <p>The First Home Loan deposit requirement is currently at 10%</p> <p>Deposit requirements for First Home Grant for existing and new homes is set at 10%</p>	<p>The cap on multiple buyers will be removed</p> <p>Deposit requirement for First Home Loan reduced for new and existing homes to 5%</p> <p>Deposit requirement for First Home Grant reduced for new and existing homes to 5%</p>





Examples of households benefiting from the reset

* All examples assume an interest rate of 5.19% and 30-year term unless otherwise indicated and an income growth of 3%. Rebranding has not been reflected in changes for ease of comparison.



A multi-generation Pasifika family with four incomes (three full time and one part time) totalling \$130,000 in Auckland, looking to buy a large townhouse at \$700,000.

Currently they are only able to get two HomeStart grants at \$20,000.

They will now be able to get four HomeStart grants at \$40,000, and withdrawing \$70,000 from their KiwiSaver, adding to their saving of \$30,000, bringing the total to \$140,000
They will be able to borrow from a bank the remaining \$560,000 with a fortnightly payment of \$1417, or around 28% of their income.



A 40-year-old 'second chancer' relocating Tauranga, with an asset of \$200,000, and an income of \$72,000

They would not be able to purchase a KiwiBuild home in the region priced at \$500,000

The individual will be able to buy a KiwiBuild home and pay it off in 25 years, with a mortgage payment of \$824 a fortnight.





MINISTRY OF HOUSING AND URBAN DEVELOPMENT

FACTSHEET **SEPTEMBER 2019**

Government Housing Programme Dashboard

The dashboard is a single source of information where you can track the progress of key parts of the Government's housing programme and the results they are delivering for people as they happen.

The intention is to publish the dashboard monthly from late-October 2019. The table below outlines the types of information that could be reported on:

Situation

Families who bought their first home

Total first home borrowers published monthly by Reserve Bank New Zealand. Although it may exclude a small number of people purchasing without a loan to a registered bank, alternative measures have similar limitations.

Weekly cost of a rental

Geometric mean rent from rental bond data, published monthly by the Ministry of Business Innovation and Employment.

New Homes consented

Number of new residential dwelling units consented, published monthly by Stats NZ.

Outputs

Homes built

New homes built via the Government Build Programme (KiwiBuild and public housing) and through partnerships with Community Housing Providers and iwi.

Homes under construction

Homes under construction via the Government Build Programme (KiwiBuild and public housing) and through partnerships with Community Housing Providers and iwi.

New public housing places

The new and total number of public housing places made available through Housing New Zealand and Community Housing Providers.

First Home Grants (currently HomeStart Grant) total borrowers

The number of people who used a First Home Grant to purchase their first home, number received from Housing New Zealand.

First Home Loans (currently Welcome Home Loans) total borrowers

The number of people who used a Welcome Home Loan to purchase their first home, number received from Housing New Zealand.

Results

People who own a KiwiBuild home

The number of KiwiBuild home owners, the total number of KiwiBuild homes sold and total available to buy.

Households in public housing

The total number of public housing tenancies, through Housing New Zealand and Community Housing Providers.

Transitional Housing

Households supported through transitional housing.

Sustaining Tenancies

Number of tenancies being supported through the Sustaining Tenancies programme, collated from participating organisations.

Housing First

Number of households assisted through Housing First programme, the number currently housed and not currently housed.





Housing Support

People's wellbeing is intrinsically linked to their housing situation. Government is focused on increasing housing support and supply throughout the country. The changes across the housing system enables more housing to be delivered at pace and scale for New Zealanders.





Housing and Urban Initiatives

There is a plan to help all New Zealanders; from people sleeping on the streets, families living in cars, people who need state housing to get back on their feet, and renters and young families locked out of the dream of home ownership.



Improving the wellbeing of New Zealanders and their families





MINISTRY OF HOUSING AND URBAN DEVELOPMENT

New Zealand Government

FACTSHEET SEPTEMBER 2019

Housing and Urban initiatives



1 Homelessness

The 2013 Census estimates there are 41,000 New Zealanders in severe housing deprivation. Close to ten percent (4,200) individuals were without shelter or uninhabitable housing. Housing First is the primary response to chronic homelessness. For others, transitional housing provides warm, safe and dry short-term accommodation and tailored support services, delivered by providers who are skilled in supporting tenants with a range of social and tenancy-related needs.



3 Rental Market

Nearly 600,000 households now rent in New Zealand, and our rental stock is of poorer quality than owner-occupied homes and is less affordable. The healthy homes standards have been set for rental housing around heating, insulation, ventilation and moisture. A review of the Residential Tenancies Act is looking at changes to make life better for renters. We've already banned letting fees.



5 Kāinga Ora—Homes and Communities

Kāinga Ora is being established to respond to the need for an integrated and prioritised approach to housing and urban development. Kāinga Ora will bring together knowledge and experience from Housing New Zealand, HLC, and KiwiBuild to create one centre of capability. Kāinga Ora will contribute to the Government's priorities for housing and urban development by leading small to large-scale urban development projects and acting as a public housing landlord.



7 System settings

The Overseas Investment Amendment Act stops overseas speculators from buying up Kiwi homes and driving up property prices. The Brightline test was also extended from two to five years.



8 Urban Growth

The Urban Growth Agenda will deliver medium to long-term changes needed to urban system settings to create the conditions for the market to respond to growth, bring down the high cost of urban land to improve housing affordability and support thriving communities.



2 Public Housing

The demand for public housing assistance continues to rise sharply, driven in part by a shortage of housing, inadequate housing, homelessness, and insecurity of tenure. An extra 2,178 public houses have been delivered which is part of a fully funded pipeline of 6,400 additional public housing places



6 Māori Housing

Māori have an opportunity to re-shape and drive the future of Māori housing and change what the poor statistics tell us today. The government is supporting and enabling hapū, iwi and Māori groups to ensure Māori have fair and equal access to housing and opportunities for home ownership.



4 Homeownership

Home ownership rates are at their lowest in nearly 60 years, while house prices have increased over the last 10 years, outstripping income growth. The government is increasing support for progressive ownership schemes to help address both the deposit barrier and mortgage servicing and helping households who have been priced out of the market. KiwiBuild will continue to deliver more affordable housing for New Zealanders.





Housing and Urban milestones 2017-2019

Since October 2017 the Government has achieved the following milestones in the housing and urban system.

2019

- Residential Tenancies Amendment Act** – covers tenant liability for damage to rental properties, unlawful residential premises, testing and contamination in rental properties
- Development of the Urban Growth Agenda** – to deliver medium to long-term changes to urban system settings to create the conditions for the market to respond to growth, bring down the high cost of urban land to improve housing affordability, and support thriving communities
- Loss ring fencing of rental properties** - restrict the ability of investors in residential property to offset tax losses from their rental properties

- Budget 2019 – Wellbeing Budget**
- \$197m to strengthen the Housing First programme** in existing high need cities and regions
- \$283m to continue funding and maintaining over 2,800 transitional housing places** throughout New Zealand
- \$18.9m over four years to expand provision of existing Housing Support products and introducing a new Rent Arrears Assistance product** to help at-risk people sustain their housing and avoid homelessness
- \$40m more funding for Māori housing** over the next four year
- \$56.1m to go towards the implementation of the Whenua Māori Programme**
- \$2.64m to pilot the provision of financial capability services to support Pacific households into home ownership.**

- Preventing and reducing homelessness** - government agencies are working with the sector on a cross-agency plan to tackle homeless and reduce reliance on motels. This includes \$54m to continue the Sustaining Tenancies programme, and provide intensive case management and Navigators
- National Policy Statement – Urban Development** – developing a well-functioning, inclusive and better-connected cities that reflect the diversity of the current and future communities that live within them
- Creation of Kāinga Ora – Homes and Communities** - brings together Housing New Zealand, HLC, and KiwiBuild to create one centre of capability. The legislation is currently before Select Committee and is a significant institutional change to the Housing and urban system
- Urban Development Bill** – to be introduced later in 2019 to enable Kāinga Ora to take on complex development projects of all sizes with greater coordination, certainty and speed





MINISTRY OF HOUSING AND URBAN DEVELOPMENT

New Zealand Government

FACTSHEET SEPTEMBER 2019

2018

Brightline test extended from two to five years

Overseas Investment Amendment – banning overseas speculators and changes prevent certain overseas people from buying residential property in New Zealand

Residential Tenancies Act reforms - ensures the laws that govern renting appropriately balance the right and responsibilities of tenants and landlords, and helps renters feel at home

The Public Housing Plan 2018-2022 – increase the supply of public housing by around 6,400 additional places by June 2022

2017

Budget 2018
\$234.4m Public Housing providing for additional public housing to bring the total to around 6,400 net additional IRRS places over four years

\$42.9m Housing First expansion to purchase an additional 550 Housing First places in regions and cities with high demand

\$169.9m Transitional Housing to address the shortfall to achieve the current target of 2,155 transitional housing places

Ban on letting fees - reducing the up-front costs of moving to a new property for tenants

Creation of the Ministry of Housing and Urban Development – to create thriving communities where everyone has a place to call home

Stopped sell off of State Houses - keeping these houses within state ownership.

Families Package - included the winter energy payment and implemented the Accommodation Supplement increases announced in Budget 2017

Healthy Homes Guarantee – to ensure rental homes have adequate insulation, ventilation and heating under the healthy homes standards



Hon Megan Woods

Minister of Housing



MEDIA STATEMENT

4 September 2019 **Embargoed until 1pm**

Government resets KiwiBuild to help more New Zealanders into home ownership

The Government is announcing new initiatives to help more New Zealanders into homeownership through its KiwiBuild reset, Housing Minister Megan Woods announced today.

“The housing crisis developed over decades and won’t be solved overnight. We’ve made a good start across the wider housing portfolio but KiwiBuild isn’t working so we are changing it. When policies aren’t working we are honest about that and fix them,” Megan Woods said.

“By making improvements to our build programme, we can get more New Zealanders into warm, dry, secure homes whether they be public, rental or affordable KiwiBuild homes.”

The reset includes:

- New ways for people to become home owners, such as shared-ownership schemes
- Boosting supply by building more homes where evidence shows they are needed
- Letting friends and family join their \$10,000 deposit assistance together
- Reducing to 5% the deposit required for a government-backed mortgage
- Reducing the amount developers receive for triggering the government underwrite rather than selling to KiwiBuild buyers

“We will also be dropping the target of 100,000 houses over ten years. It was overly ambitious and led to contracts being signed in places where there was little first home buyer demand,” Megan Woods said.

“Instead of the target, we will focus on building as many homes as we can, as fast as we can in the right places. Each month we will release a dashboard of housing statistics so New Zealanders can easily measure our progress.”

“Homes in Te Kauwhata, Canterbury and Wanaka that haven’t sold will be released to the open market, allowing us to reuse the government capital to get more developments underway where there is clear demand.

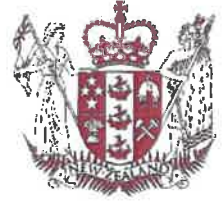
“We will also be making changes to that Government underwrite, reducing the amount available in future developments so developers are incentivised to sell to KiwiBuild first home buyers instead of triggering the underwrite, which may be at a lower level.

“The Urban Development Authority, Kainga Ora – Homes and Communities, will coordinate developments across New Zealand making sure that we get the mix of public housing, market priced homes and KiwiBuild homes. We will now target those homes to areas where there is a clearly identified demand and need. We will look for opportunities for build to rent with long term institutional investors through these developments.

Today's reset of the build programme sits alongside other actions the Government has already taken to begin to address the housing crisis:

- Banning overseas speculators from the market
- Stopping the sell-off state houses
- reforming tenancy rules
- Helping hundreds of homeless people get into a home with wrap around services including addiction services and mental healthcare
- Building record levels of state and public houses
- Starting off reform of the RMA

Contact: Penny Arrowsmith 021 406 609



Hon Megan Woods
Minister of Housing

MEDIA STATEMENT

**Marama
Davidson**
Green Party Co-Leader

4 September 2019 **Embargoed until 1pm**

KiwiBuild reset reduces deposit needed to buy first home

The Government is taking action to ensure more low and middle income New Zealanders can buy their own home, with the announcement of an innovative new ownership scheme as part of the KiwiBuild reset and a reduction in the deposit requirement to 5%.

A progressive home ownership scheme as part of KiwiBuild is part of the Confidence and Supply Agreement with the Green Party.

“All three parties in Government, Labour, the Greens, and New Zealand First, are committed to getting more New Zealanders into home ownership with innovative new approaches.

“Building significant numbers of affordable homes is a long-term challenge that will take time, but we can set up new home ownership models and reduce deposit requirements now to make it easier for people to get into their first home,” Housing Minister Megan Woods said.

“We’ve set aside \$400 million from the KiwiBuild appropriation for a progressive home ownership scheme, like shared equity, to help more people buy their own home.

“We campaigned on helping more people into their first home and this new scheme will help struggling families buy a share of a house, reducing both the deposit needed to get a mortgage, and their repayments.

“The scheme will mean that over time the family can buy further chunks of the mortgage until they own the home outright.

“We will also be reducing the deposit required for a Government-backed mortgage to 5%, and changing policy settings so that family and friends can each use their \$10,000 First Home Grant and their KiwiSavers to buy their first home together.

“Taken together, these changes will help more people access innovative new support to buy a home, and help people who have been locked out of the market,” says Megan Woods.

Green Party Co-leader and housing spokesperson Marama Davidson welcomed the changes.

“We secured a progressive home ownership scheme as part of KiwiBuild when we entered Government and that’s exactly what we’ve seen announced today.

“\$400 million will deliver meaningful change for the people who are locked out of home ownership by high rents and low wages.

“Saving a deposit for a home is no longer achievable for many New Zealanders. The way we have approached housing in this country has increasingly locked people out.

“As a Government we will now be rolling out progressive homeownership schemes, and supporting community housing providers and iwi to deliver progressive home ownership.

This announcement is a great start because it provides a pathway to affordable home ownership for those most in need.

“At the same time, we will continue to build more public houses per year than any Government of the past three decades, and will also be taking steps to rebalance the rental market. This is a significant programme of work to truly transform our approach to housing in Aotearoa,” says Marama Davidson.

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