

## **FirstHome Questions and Answers**

### **1. Who is eligible for the FirstHome initiative?**

To be eligible for the FirstHome initiative the applicant must:

- Be aged 18 years or older.
- Be a New Zealand citizen or permanent resident.
- Be a first home buyer and not currently own property or land (previous home owners may be eligible for the initiative if their income, assets and liabilities represent a financial position that would be expected of a person who has never owned a property, as well as meeting the other FirstHome criteria).
- Be planning to live in the house for at least three years and not purchase it for investment purposes.
- Have not received a FirstHome grant before.
- Have a gross annual income of \$53,000 or less (before tax) for one applicant, or a combined gross annual income of \$80,600 or less (before tax) for two or more applicants (earned in the past 12 months).
- Be pre-approved by a certified lender and hold a valid pre-approved letter or certificate that shows the maximum amount that can be borrowed.

### **2. What do buyers need to do?**

- Check they are eligible for the FirstHome initiative by completing a self-assessment online or calling Housing New Zealand free on 0508 935 266.
- Obtain pre-approved finance from a certified lender.
- Apply to Housing New Zealand for a FirstHome grant and obtain an approval certificate.
- Contact the participating real estate agent in the area they are looking to buy for a list of properties for sale. A list of agents can be found by visiting [www.hnzc.co.nz](http://www.hnzc.co.nz) or by calling Housing New Zealand free on 0508 935 266.
- Once they have found a suitable home they would like to buy the real estate agent will guide them through the purchase process.
- Sign a Sale and Purchase Agreement with Housing New Zealand.

### **3. Are the properties stand-alone houses or units?**

The properties for sale through the FirstHome initiative are a mixture of stand-alone and twin unit houses.

### **4. Will property values be affected in the areas where the houses are being sold?**

The houses will all be sold at market value. Properties will be released on the market as they become available and Housing New Zealand will do this in a planned way so that the market is not flooded.

## 5. Where are the first initial properties to be available on 7 October located?

The first 41 properties available for sale at implementation on 7 October are located across the country from as far south as Invercargill to Otorohanga in the central North Island.

Area	Number of properties available
Otorohanga	4
Ohakune	1
Napier	1
Taihape	1
Havelock North	2
Levin	5
Foxton	3
Marton	3
Blenheim	2
Picton	1
Waimate	1
Balclutha	1
Milton	1
Port Chalmers	1
Greymouth	1
Cromwell	1
Timaru	1
Dunedin	4
Westport	1
Bluff	1
Gore	1
Invercargill	4

Up to 400 properties will be available for sale over the next three years. The potential distribution of the remaining properties for the FirstHome initiative are listed below.

Housing New Zealand area	Number
Northland	63
North Waikato (excluding Hamilton City)	14
Rotorua/Whakatane/Taupo	31
Hawke's Bay	27
New Plymouth/South Waikato	67
Manawatu/Levin/Wanganui	46
Kapiti	19
Marlborough	17
Canterbury (excluding Christchurch City)	26
Otago (includes Dunedin)	27 (18)
Southland (includes Invercargill)	23 (11)
<b>Total</b>	<b>360</b>

These numbers are indicative only and based on the pool of currently tenanted properties with a future use code of 'short sell'. The distribution of properties selected for the initiative will depend on which properties become vacant, whether there have been any changes to local demand, whether the property would be difficult to sell in a conventional manner, and the amount of maintenance required to the property.

## **6. Why is Housing New Zealand selling its empty houses?**

Housing New Zealand regularly reviews its portfolio of 69,000 homes to ensure its properties are in the right place, and are of the right size. Properties that are identified as no longer appropriate, due to location, configuration and demand, are selected for divestment as Housing New Zealand incurs significant costs to keep them maintained. A selection of vacant properties has been made available for sale through the FirstHome initiative to support first home buyers, and eligible previous home owners, to achieve home ownership.

## **7. What is the difference between this initiative and the Tenant Home Ownership Scheme?**

The Tenant Home Ownership Scheme is designed specifically to help tenants buy the home they live in. Since the programme started in September 2009, more than 117 state houses have been sold to tenants, with a total value of around \$26,963,000. The FirstHome initiative is designed to support provincial first home buyers who meet the FirstHome eligibility criteria to buy a property that has been selected for sale through this initiative.

## **8. Can a Housing New Zealand tenant use the FirstHome grant to buy the state house they live in?**

No. We are only selling vacant properties that have been identified for sale, which no longer meet state housing needs due to location, configuration and demand.

## **9. Why is Housing New Zealand selling houses when there are still people on the waiting list for a state house?**

The properties Housing New Zealand is selling under the FirstHome initiative are in areas where there are more properties than demand or the properties they have are not the right type for people on the waiting list. Selling these properties enables Housing New Zealand to reinvest in areas of high demand, so it can house more people in need.

## **10. How does Housing New Zealand select properties for the FirstHome initiative?**

Housing New Zealand identifies houses for sale that are not the right type or in the right location for state housing demand. They then look at these properties to see if they are suitable for the FirstHome initiative and consider whether they are an affordable price, in a condition suitable for first home buyers, and the location they are in.

**11. How long will Housing New Zealand hold the property open for a first home buyer before releasing it to the general market?**

The property will be reserved for a first home buyer for a period of three months. After this time the property will continue to be available through the scheme, but will also be placed for sale on the open market.

**12. Won't speculators just buy and sell the houses for a quick profit?**

Buyers using a FirstHome grant will be required to live in the house they buy for three years – specified in the Sale and Purchase Agreement signed with Housing New Zealand.