

## **KIWISAVER: A BLESSING FOR FIRST HOME BUYERS**

The introduction of Kiwisaver in 2007 brought with it the difficult decision for all working New Zealanders of whether or not to “Opt In” to a Kiwisaver Scheme. There are still varied opinions as to the actual long term benefits of Kiwisaver. However, one area where Kiwisaver has proven to be extremely beneficial is for first home buyers of all ages.

With Auckland house prices and living costs soaring the Kiwi dream of buying a first home is becoming more and more of a distant reality for most average New Zealanders. That is of course unless they had the foresight to join Kiwisaver and are now eligible to withdraw their Kiwisaver funds for the purpose of buying a first home. We have witnessed individuals and families who six years ago would never have imagined that one day they could afford to buy a house now comfortably settled into their own home with the help of Kiwisaver. With regular contributions your available Kiwisaver funds can grow surprisingly high over 3-5 years and, in the case of couples, both Kiwisaver funds can usually be withdrawn for the same property where both parties are eligible for withdrawal.

The only issue to be aware of is that your Kiwisaver funds generally cannot be used to pay a deposit amount to the Real Estate Agent or Vendor directly. They can only be used by your solicitor towards the purchase price on the settlement date. When completing the Sale and Purchase Agreement it is therefore important to make sure that you don't commit to paying an initial deposit of any more than what you can immediately afford to pay out of your own cash resources without using your Kiwisaver funds.

To be eligible to withdraw your Kiwisaver funds you must:

- Have been a Kiwisaver member for three years or more;
- Not have previously owned an interest in property; and
- Intend to live in the property as your home.

So if you have always dreamed of owning your own home but been disillusioned by the unrealistic prospect of having to save a 10% cash deposit first consider opting in to a Kiwisaver Scheme to help make that dream become a reality.