



Hon Megan Woods

Minister of Housing

PRESS RELEASE

19 May 2022

More support for first home buyers and renters

- House price caps for First Home Grants increased in many parts of the country
- House price caps for First Home Loans removed entirely
- Kāinga Whenua Loan cap will also be increased from \$200,000 to \$500,000
- The Affordable Housing Fund to initially provide support for not-for-profit rental providers
- Significant additional funding to meet existing and planned public and transitional housing costs

Budget 2022 sees more New Zealanders able to access support to get into their first home because of changes to First Home Grants and First Home Loans.

“We are increasing the house price caps for the First Home Grant to align with lower quartile market values for new and existing properties. This recognises the changes in house prices over the past year,” Megan Woods said.

“We are also removing house price caps entirely from the First Home Loan, to provide a greater choice of homes for prospective first home buyers. Income caps and lender requirements are sufficient to ensure that the First Home Loan is used by buyers who need support for a first home.

“We estimate that these changes, along with other changes to the eligibility criteria, will help thousands more first home buyers, with funding available for approximately 7,000 extra First Home Grants and 2,500 extra First Home Loans available every year.

“The house price and income caps will now be reviewed every six months to make sure they continue to stay up to date.

“These changes to help first home buyers builds on our initiatives last year to boost investment in new builds through tax changes and the massive \$3.8 billion Housing Acceleration Fund for infrastructure like pipes and roads for new housing, to help overcome the housing crisis we inherited.

“The Kāinga Whenua Loan cap will also be increased from \$200,000 to \$500,000 to provide more choice and opportunities for people building, relocating, or purchasing a home on whenua Māori,” Megan Woods said.

Associate Housing Minister (Māori Housing) Peeni Henare said this change will make a real difference for whānau.

“Unlocking funding support to help people into homes will reconnect them with their whenua.

“We made a promise as a Government to change the status quo when it comes to Māori housing, and providing more funding options for whānau looking to utilise whenua Māori as effectively as possible is a vital part of that work,” Peeni Henare said.

The changes to the First Home Grant take effect from 19 May 2022. The changes to the First Home Loan and Kāinga Whenua Loan take effect from 1 June 2022.

Affordable Housing Fund

“The Affordable Housing Fund is a new programme to support the development of new affordable homes for low-to-moderate income families and whānau in areas facing the biggest housing supply and affordability challenges,” Megan Woods said.

“This fund will initially help address the needs of New Zealanders who struggle to meet the cost of a market rental but can’t access public housing. The \$350 million fund will leverage partnerships with investors, philanthropic organisations, developers, and the affordable housing sector to expand the range of housing options for people whose needs are not currently being met by the market.

“We have seen that rising construction costs are making it harder for many of our providers to deliver affordable housing. This fund will bridge the gap for organisations to get new affordable rental accommodation built,” Megan Woods said.

The first stage of the Affordable Housing Fund will offer \$50 million worth of grant funding to not-for-profits to deliver affordable rental housing in Auckland, Tauranga, Rotorua, Napier/Hastings, Wellington, and Nelson/Tasman.

Sustaining public housing

“Budget 2022 is also meeting the \$1 billion cost required to support existing and planned public and transitional housing through rent subsidies and rising operational costs for housing providers. This reflects our Government’s commitment to meeting the ongoing costs of providing public housing, as we rebuild the state’s role in this sector.

“Bringing on the largest boost to public housing since the 1970s does not stop at the capital costs of additional homes; ongoing operational funding for Income Related Rent Subsidies is a key part of sustaining those tenancies,” Megan Woods said.

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Note to Editors:

First Home Product changes:

Selected regions	Existing properties		New build properties		Existing and new properties
	Grant and Loan	Grant	Grant and Loan	Grant	Loan
	Previous Cap (\$)	New Caps (\$)	Previous Cap (\$)	New Caps (\$)	New Cap (\$)
Auckland region	625,000	875,000	700,000	875,000	No cap
Hamilton	525,000	650,000	600,000	725,000	
Tauranga Urban Area	525,000	800,000	600,000	875,000	
Rotorua District	400,000	525,000	500,000	525,000	
Napier-Hastings	525,000	625,000	600,000	825,000	
Wellington Urban Area	550,000	750,000	650,000	925,000	
Nelson-Tasman	525,000	650,000	600,000	875,000	
Christchurch Urban Area	500,000	550,000	550,000	750,000	
Dunedin City	425,000	500,000	550,000	675,000	
Queenstown-Lakes District	600,000	875,000	650,000	925,000	
All remaining territorial authorities	400,000	Ranging from 400,000 to 875,000	500,000	Ranging from 500,000 to 925,000	

The following definitions apply:

- Hamilton Urban Area: Hamilton City, Waipā District, Waikato District
- Tauranga Urban Area: Tauranga, Western Bay of Plenty District
- Wellington Urban Area: Kāpiti Coast District, Upper Hutt City, Porirua City, Lower Hutt City, Wellington City
- Christchurch Urban Area: Waimakariri District, Christchurch City, Selwyn District

Other changes to first home grants include:

- Introduction of an 'individual earner with dependents category' with an income cap of \$150,000
- Adjusting the KiwiSaver requirements to reduce the threshold amount of regular savings to access the grant

- Allowing relocatable homes that have received a Code of Compliance certificate in the last 12 months to qualify as new properties
- Enabling members of Progressive Home Ownership rent-to-buy schemes to access the new build grant
- [The Affordable Housing Fund](#) has been funded from the \$350 million Residential Development Response Fund (RDRF) announced in 2020, to support the construction sector during the initial COVID-19 lockdown, which was not required. Through Budget 2022, we are converting \$200 million of the RDRF to non-recyclable funding for the Affordable Housing Fund to be available as grants to develop more affordable housing options. \$294 has been set aside for grants and underwrites, \$6 m for administration costs and \$50 m for low-interest loans.