

## **Frontline Heroes Affordable Shared Equity Programme Summary**

### *Orawaahi – A Complete Community*

#### ***The Concept***

The Frontline Heroes Programme is designed to make home ownership achievable for New Zealand's essential workers including nurses, police, firefighters, ambulance, teachers, Coastguard, defence, and volunteer lifeguards.

Through an affordable shared-equity model, buyers partner with the developer to reduce the required deposit and loan amount, making monthly repayments manageable and helping to own a first home sooner.

#### ***The Example Home***

Below is a working example of how this programme could be achieved:

Development	Orawaahi – Clarks Beach
Home Type	3-bedroom standalone
Market Value (75% of Auckland median)	\$742,500 (Auckland median - \$990,000) <sup>1</sup>
Shared Equity Split	75% Buyer / 25% Developer (Frontline Heroes Fund)
Buyer's Share	\$556,875

#### ***Deposit & Financing Structure (10% Deposit)***

Item	Calculation	Amount (NZ\$)
Buyer's Purchase Share	75% of property	556,875
Deposit Required (10%)	10% × 556,875	55,688
KiwiSaver Withdrawal (First Home)	up to	40,000
Additional Cash Needed	\$55,688 – \$40,000	15,688
Mortgage Required	\$556,875 – \$55,688	501,187

<sup>1</sup> Real Estate Institute of New Zealand (REINZ) report for June 2025

- Total Deposit Needed: \$55,688
- Of which KiwiSaver covers: up to \$40,000
- Buyer's out-of-pocket contribution: just \$15,688

### **Monthly Mortgage (5.00% p.a.)**

Mortgage Amount	\$501,187
Interest Rate	5.00% p.a.
Term	25 years
Monthly Repayment (est.)	\$2,930/month
Weekly Equivalent (est.)	\$676/week

### **What Happens Later**

When the home increases in value, both the buyer and the Frontline Heroes Fund benefit proportionally to their ownership.

Example: If, after 10 years, the home is worth \$1,000,000:

Party	Equity %	Share of Sale Value
Buyer	75%	\$750,000
Frontline Heroes Fund	25%	\$250,000

The buyer can also choose to buy out the developer's 25% share at any time, based on independent valuation.

### **Why This Works**

- ✓ Low Deposit: Just 10% — easily supported by KiwiSaver.
- ✓ Reduced Mortgage: Only finance the required share, not the full price.
- ✓ Shared Growth: Benefit from market appreciation, while paying less upfront.
- ✓ Community Commitment: Reserved for those who serve the public — our frontline heroes.
- ✓ Affordable Price Point: Homes capped at 75% of Auckland's median to ensure accessibility.

### **Key Summary**

Home Price (75% of Median)	\$742,500
Buyer's Share (75%)	\$556,875
Deposit (10%)	\$55,688
KiwiSaver Portion	\$40,000
Buyer's Deposit	\$15,688
Mortgage Required	\$501,187
Monthly Repayment (est.)	\$2,930
Weekly Repayment (est.)	\$676