

**Your step-
by-step
guide to
home
ownership**

Your home ownership journey starts here



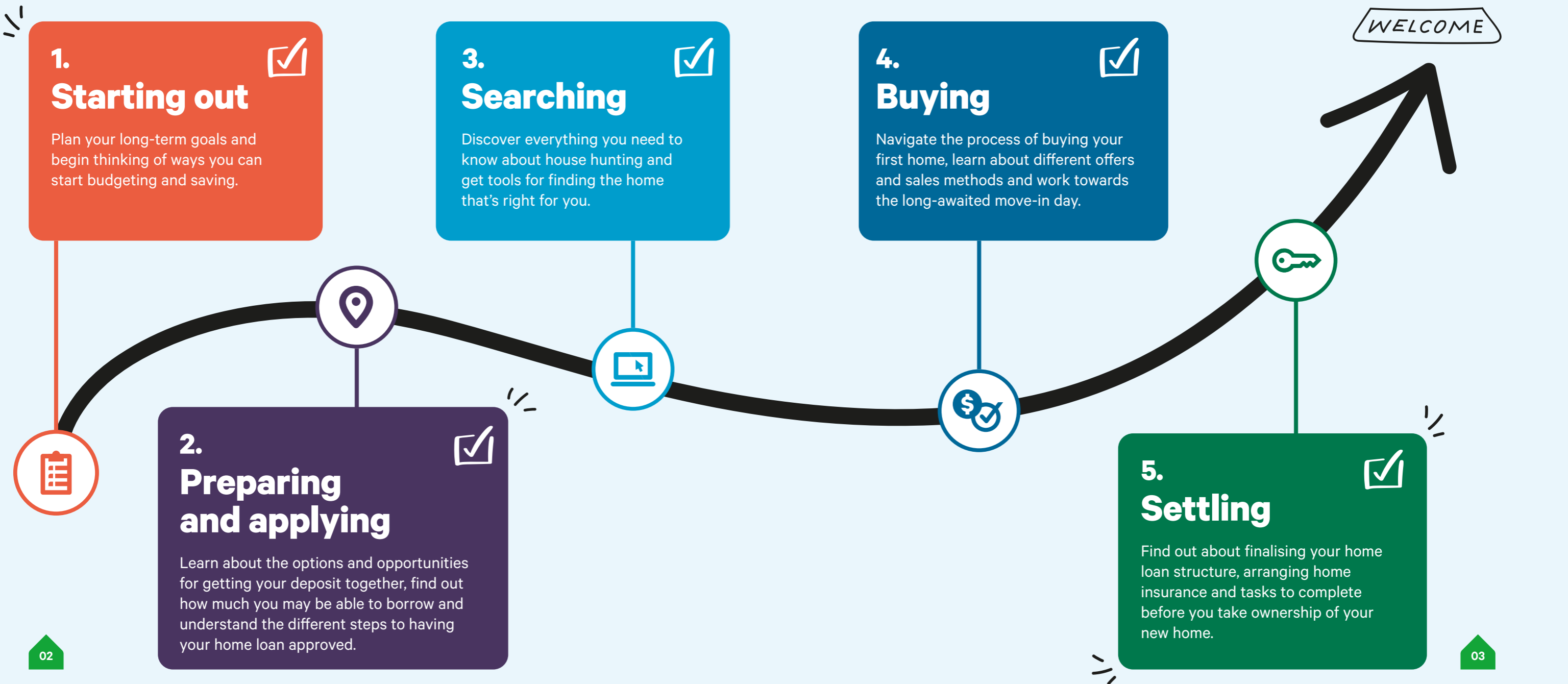
Whatever stage you're at and no matter your situation, there'll be something in this guide to help you into a home of your own.

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The path to home ownership

Thinking about buying a home but don't know where to start? No problem. This guide will be a helping hand at every step you take towards home ownership.



1. Starting out

In this step, we'll go through things to think about when setting your goals, some of the home ownership costs you'll want to consider, how to build a support team and places to go for help with making a budget or to start saving for your deposit.

By the time you've finished this step, you'll know exactly what you need in a home – and how to turn those needs into a plan to own one.



Setting goals➤

Owning a home means something different to all of us, so when you set your sights on buying one, it makes sense that you might be at a different stage of your life to someone else with the same goal.

Everyone's journey will look a little different, but some of the key benefits of home ownership remain the same for all of us.

- You have a place that you can truly make your own – you can furnish, decorate or renovate as you see fit.
- Fixed mortgage rates can make it easier to manage bills and plan ahead.
- Paying off your mortgage can build equity.
- You have long-term stability in one location.
- You are able to put down roots and become part of a community.

Setting some long-term goals can help you make a plan for buying the right home for you. Working through a few key questions can help you get started.

- Where do you see yourself in 5 or 10 years?
- Are you looking for a first home or your forever home?
- Where do you want to be living – close to the city or in a specific suburb?
- Where will you be working – do you want to live nearby?
- How much of your income will you be able to put towards regular mortgage repayments?
- Who will be paying the mortgage with you?
- Do you have any big expenses coming up that you need to budget for?
- Are you buying for yourself or looking at buying with family?
- Will other family members be living with you? What are their needs?

Once you've answered these questions, it won't take long before the first picture of your ideal home will start to take shape. From here, you can start to draw up your budget and set a timeline.

Saving and creating a budget

It's easy to see how important it is to have a solid budget and a clear savings goal when you think about what it means to buy a home – for most of us, it's the single-biggest purchase we'll make in our lives.

Sorted.org.nz is a great place to start for free budgeting advice, calculators and resources. You'll also find tools to help you manage debt and map out your money goals – from short-term to lifelong.

With the Sorted mortgage calculator, you can also get a sense of what your home loan repayments could be, the amount of interest you'll pay or even how extra payments could pay off your mortgage sooner.

Other home ownership costs

While you're saving for your deposit, it also pays to budget for a few other one-off costs that come with buying a home. We'll go through these in more detail throughout this guide, so for now, it's just worth knowing that your plan will need to budget for costs like:

- solicitor's or conveyancer's fees
- building inspections and reports
- LIM reports and council and property files
- moving costs
- savings for any extra costs that may pop up.

When all of that is taken care of and you're living in your new home, you'll also have ongoing costs to think about. These can include:

- home loan repayments
- insurance – for your home and contents
- rates – fees for the services your council provides
- utilities – water, power, internet and others
- maintenance and renovations
- body corporate fees (if your home has shared space with other owners, like an apartment or townhouse).

Building your support team

A good team can build confidence in your decision making and simplify some of the more technical steps of buying a property. It can also guide and support you along your path to home ownership. Your team will grow as you work through this guide, but here's what you may want to consider to start off.

Banks and lenders

Your bank can take you through different options for savings accounts or give you advice on things you can do now to grow your chances of getting a loan later on. Even if you still think home ownership may be a while away, you might find it helpful to speak with other lenders about the different ways they can support you.

Mortgage broker

Whether you hire a mortgage broker is completely up to you. Mortgage brokers can make the financial side of home buying easier with help finding the best banks and lenders for your situation. They will work with you to get a complete picture of your financial position and negotiate the terms and conditions of a home loan with banks and lenders on your behalf.

Insurer or insurance broker

It's likely home insurance will be a condition of your home loan, so it's a good idea to think about insurance options early in the home buying journey. You can find useful information about home insurance at **sorted.org.nz**.

Family and friends

Family and friends can help you throughout your home buying journey with financial support, giving their feedback on potential homes, supporting you at an auction or during the purchase process and celebrating with you once you've bought your new home.

Checklist – Starting out



I have:

Thought about what I want to buy

Reviewed my finances

Created a budget

Set a savings goal

Created a timeline

Started building my support team:

Met with my bank to discuss my savings goal

Decided whether I want to work with an insurance broker

Spoken with friends and family about their experiences

Notes

2. Preparing and applying

In this step, we'll show you where to find out how much you might be able to borrow – but before that, we'll take you through some of the options and opportunities that can build and boost your deposit.

At the end of this step, you'll also know about the differences between pre-approval and full approval for a home loan. You'll have mastered the application process, and you'll be on your way to searching for your new home with confidence.

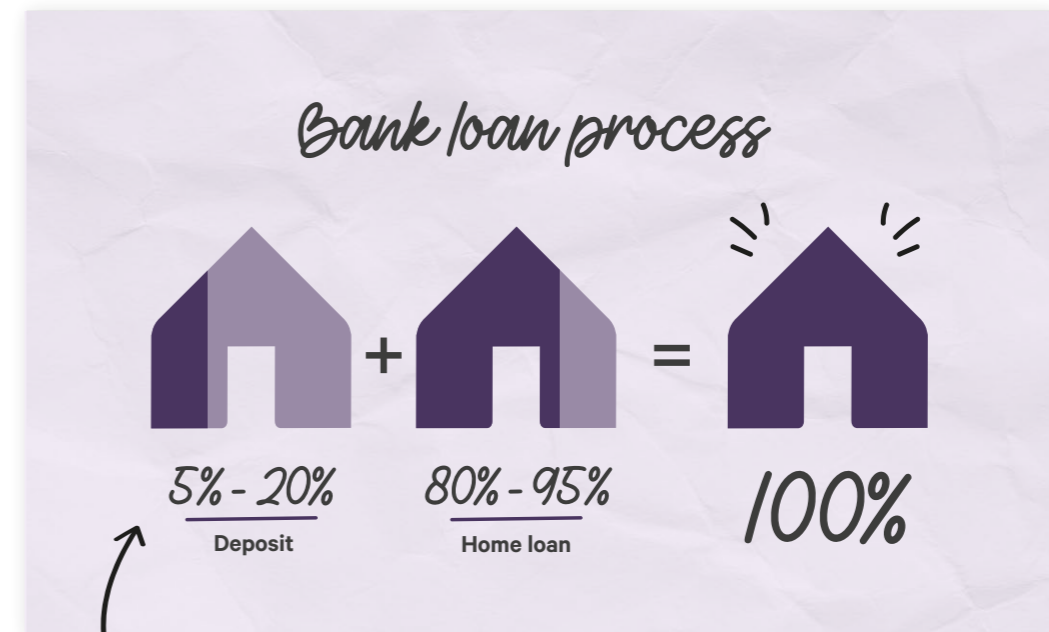


Getting your deposit together

For most of us, the price we pay for a home is made up of the deposit we contribute and a loan from a bank or other lender.

A bank or lender will let you know how much your deposit needs to be and any other conditions you need to meet before it agrees to the loan. Typically, you will be required to have a deposit that is 20% of the home's purchase price. For example, a home that costs \$800,000 might require a \$160,000 deposit.

However, if you don't have this amount saved, you may still qualify for a mortgage with a 10% deposit or even a 5% deposit in some cases. It all depends on the eligibility and lending criteria of your bank or lender. It's always a good idea to speak with your bank or lender, or a mortgage broker before making any decisions about your deposit and type of home loan.



A bigger deposit usually means a smaller home loan and vice versa.



First Home Loan

A First Home Loan can give a helping hand when buying your first home by lowering the deposit required from the more standard 20% to only 5%. First Home Loans are only available through select banks and lenders and are underwritten by Kāinga Ora.

Learn more and check your eligibility at kaingaora.govt.nz/first-home-loan.

Boosting your deposit

Personal savings will likely make up the majority of your deposit, but there are also other ways you may be able to boost your savings.

KiwiSaver first-home withdrawal

When you're buying your first home, you may be able to make a KiwiSaver withdrawal to go towards your deposit. You'll need to have been contributing to a KiwiSaver fund (or other eligible savings scheme) for at least 3 years. Remember, at least \$1,000 has to stay in your fund after your withdrawal.

Contact your KiwiSaver or savings scheme provider for more information or learn more at kaingaora.govt.nz/kiwisaver-first-home-withdrawal.

Tenant Home Ownership Grant

If you're a current Kāinga Ora social housing customer, you may be able to get a grant to buy the Kāinga Ora home you live in. Conditions apply and not all Kāinga Ora homes are available to purchase, so it's a good idea to check with Kāinga Ora before applying.

Learn more and check your eligibility at kaingaora.govt.nz/tenant-home-ownership.

First Home Grant

If you're a first home buyer who's been making KiwiSaver contributions for at least 3 years, you may be able to get a First Home Grant from Kāinga Ora to boost your deposit. Members of other complying funds or exempt employer schemes may also be eligible.

Learn more and check your eligibility at kaingaora.govt.nz/first-home-grant.

Getting help from family

Sometimes family can help you into your first home with things like gifts, loans or guarantees. If a family member is helping you, we recommend everyone involved seeks independent legal advice as it can be complicated making sure these methods are accurately and legally represented in your finances.

Gifted funds

If you have a family member who wants to help towards your deposit with a gift, your home loan provider may need to see evidence of the money being gifted or a declaration that includes details like:

- who is gifting the money (the 'gifter')
- who is receiving the money (the 'recipient')
- the amount of money being gifted
- the purpose the money is being gifted for (a home purchase)
- confirmation that the money is a gift, is not considered a debt and does not need to be paid back.

Borrowed funds

Borrowed funds are when someone contributes a sum of money towards your deposit and you make an agreement to pay them back. This could be when the home is sold or when you're in a financial position to repay the loan.

Guarantees

A guarantee is when someone (such as a family member) uses a home they own as extra security to guarantee your loan. They become a guarantor, taking responsibility for part or all of your home loan if you're unable to pay it.

Co-borrowing

Some banks and lenders offer co-borrowing (or joint borrowing) where you can get a home loan with the support of a family member. This usually means there'll be more than one loan and:

- the first loan is made out to you against the majority value of the home
- a second loan is shared with you and your family member against the remaining value of the home
- the combined loans add up to 100% of the value of the home you're buying.

You'll need to pay both loans, and your co-borrower may become responsible for the repayments if you're unable to do so.



Tip – joining the pieces of your deposit puzzle

If you're getting your deposit together from several sources and wondering how much savings you'll need, use this guide:

My first home is likely to cost

\$ _____

The total deposit I need will be ___% of its value, which is

\$ _____

The total value of all other contributions (like grants, gifts or a KiwiSaver withdrawal) is

\$ _____

That means I'll need savings of

\$ _____

Other home ownership help

In addition to the options presented to top up your deposit, Kāinga Ora offers and supports other home ownership products and programmes that can give you a helping hand towards home ownership.

These include low-deposit loans, shared equity schemes and grants.

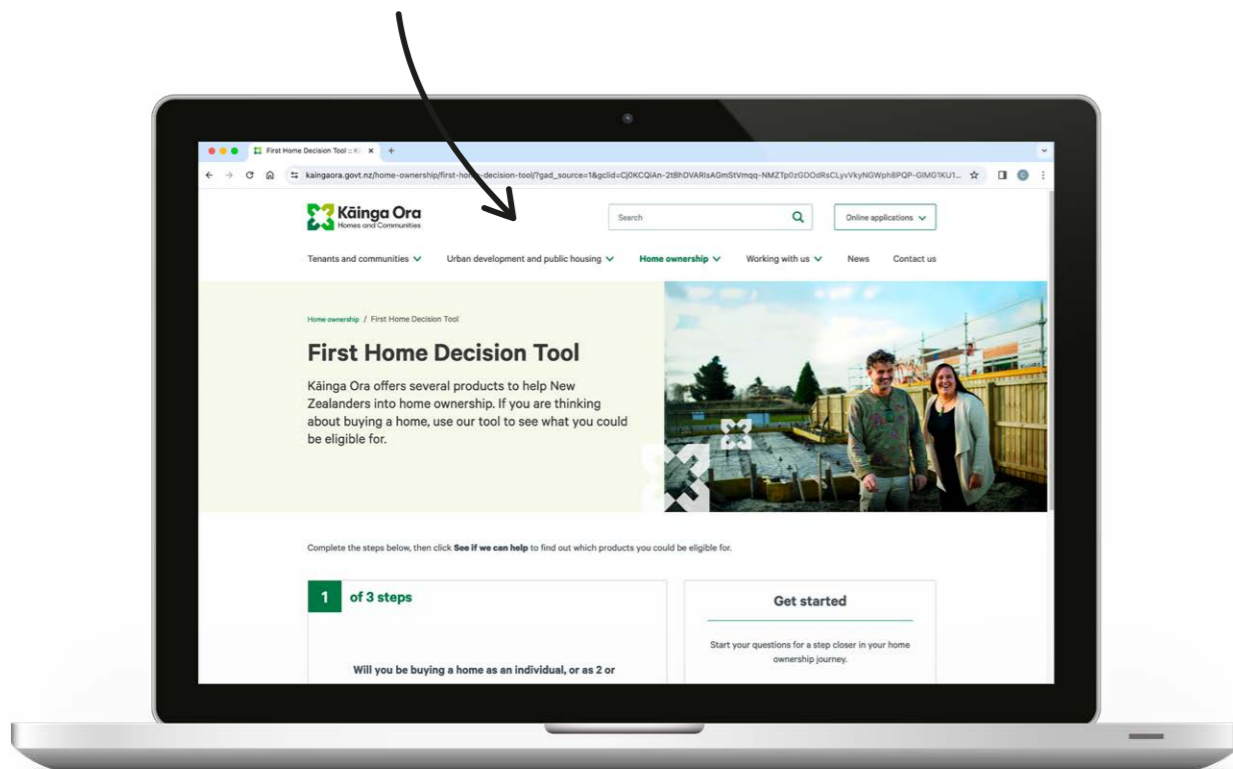
Each product has its own eligibility criteria and application process, and you may be able to combine multiple products when buying your home.

For more information about our home ownership products and to find out if you're eligible, check out our First Home Decision Tool at kaingaora.govt.nz/first-home-decision-tool.



Important!

Depending on the home ownership product or programme you wish to apply for, you may need to choose a preferred bank or lender and meet their lending criteria.



Getting your home loan pre-approved

When you've got your deposit together, you'll be ready to apply for a pre-approved home loan. This is where your bank or lender indicates the amount it's willing to lend you, which means you can start searching for the right home with confidence. You'll know your buying power and have a clear idea of the price range you can search within.

What banks and lenders may ask for

Every bank or lender has its own guidelines for deciding whether to approve a home loan and for how much but all will look at your overall financial position and history, your debts and obligations and your ability to repay a home loan.

As part of this, you may be asked to provide this information:

Identification

This can include your New Zealand photo driver licence, New Zealand or overseas passport, New Zealand birth certificate, New Zealand citizenship certificate or certificate of residency.

Current address

This can include a recent utility bill, rates bill or bank statement addressed to you at your current address.

Your deposit

This might be a banking or savings balance statement showing the total deposit you have available inclusive of all savings, withdrawals, grants and gifts.

Your income

This could be a set of your most recent payslips (for example, the most recent 3 months of income). If you are self-employed, you may be able to provide an income summary from Inland Revenue or a copy of your most up-to-date financial statements from an accountant.

Learn more about financial statements or how to get an income summary at ird.govt.nz.

Banking or credit history

This is usually a set of your banking statements for a fixed period (for example, 3–6 months) that shows a running balance over that time.

Your debts and outgoings

This can be required for the bank or lender to estimate your regular monthly expenditure and can include statements for recurring expenses such as insurance, credit cards, current balance on other loans and hire purchase arrangements.



Tip – using a mortgage broker

If you're using a mortgage broker, they'll work with you to get a complete picture of your financial position and negotiate the terms and conditions of a home loan with banks and lenders on your behalf.

How much could you borrow?

Your bank or lender will offer pre-approval (or conditional approval) if you meet its requirements. This is an agreement that sets out what it expects from you and shows the maximum amount you can borrow as long as you meet those expectations.

Your loan amount will usually be the total price of the home minus your deposit (up to the maximum lending amount). For example, if you buy a home for \$650,000 and have a 20% deposit of \$130,000, your home loan will be \$520,000.

It's possible for your home loan pre-approval to expire, and your bank or lender will let you know how long you have before that happens. If your situation changes after you've been pre-approved or you haven't had enough time to find the right home, you can ask your bank or lender to renew your pre-approval.



Tip – before you make an offer

Make sure that your pre-approval is current before you make an offer on a home, particularly if your settlement period is lengthy.

What is the difference between pre-approval and full approval?

Receiving **conditional approval** or **pre-approval** for a home loan means you have met a bank or lender's requirements for a home loan but you haven't yet found a home to buy. Conditional approval or pre-approval is an indication of how much you could borrow but not a guarantee you will receive the loan.

Full approval is when you have found a home you want to buy and the bank or lender has made sure it meets its lending conditions. In most cases, full approval confirms the amount the bank or lender is willing to lend you and you can make a formal offer to purchase the home or bid on it at auction.



Important!

If you want to bid on a home at auction, you'll need your home loan fully approved beforehand. Talk this through with your solicitor and bank or lender to make sure you meet all the requirements. You'll also find more information about buying at an auction on page 33.

Adding to your support team

It's time to add another member to your support team.

Solicitor or conveyancer

Buying a home is a complicated legal process. A lot needs to be done correctly and in the right order. A solicitor (lawyer) or conveyancer can represent you during your home buying journey. They can advocate on your behalf, review documents, give you valuable advice on your options and provide conveyancing services (the legal process of transferring property or land ownership from one person to another).



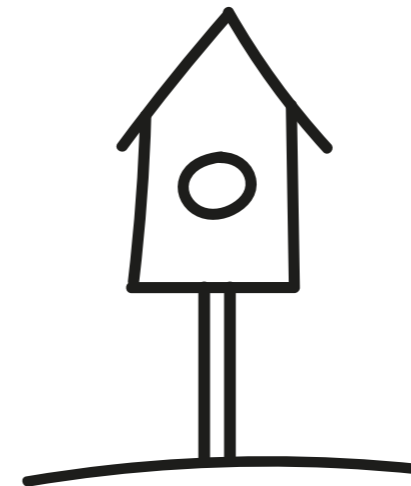
Tip – finding a solicitor or conveyancer

If you're unsure where to look, you can find a list of solicitors and property specialists in your area at propertylawyers.org.nz or nzconveyancing.co.nz.



Working with a solicitor or conveyancer

Solicitors and conveyancers are both qualified to help with property transactions. The main difference is that conveyancers specialise in property transactions only. When choosing a solicitor or conveyancer, it's always a good idea to get a cost estimate for their services. Some have a fixed fee, while others charge by the hour. Ask them to explain their fee to avoid surprise bills.



Checklist – Preparing and applying

Notes

I have:

Spoken with a solicitor or conveyancer about my plans and how they can help during my home buying journey

Learned about and applied for (or pursued) my deposit-boosting options

Checked out the Kāinga Ora First Home Decision Tool to find out which home ownership products I'm eligible for

Got my deposit together:

Savings

KiwiSaver first-home withdrawal

First Home Grant

Any gifts, guarantees or borrowed funds

Decided whether I want to work with a mortgage broker

Met my chosen mortgage broker to find out more about the help they can offer

Met with a bank or lender

Got my evidence documents ready

Got my home loan pre-approved

3. Searching

In this step, we'll give you the tools to find the right home for you.

When you've finished this step, you'll know what to check off when you visit an open home. You may even be ready to think about making an offer.



Starting your search

This is where you'll begin to see your hard work paying off. It's time to make an exciting move along your path – searching for your new home.

Your budget will be your biggest guide and a great starting point for finding the right place. Setting out what you need in a home along with getting to know the different housing and ownership types will help you narrow your search within your budget.

If you've worked through this guide from the beginning, you have already given this some thought when you set up a savings plan. Now it's time to bring your needs into focus again by working through these questions:

- What are your 'must have' housing needs – the things your home can't be without?
- What are some things you've been telling yourself you need but may actually be things that are 'nice to have'?
- How many bedrooms and bathrooms will you need?
- How important are things like a garden, garage or other property features?
- How close do you need to be to things like work, schools, public transport, shops, parks, healthcare or other amenities?

As you begin to pinpoint your needs – and get a feel for the things you can live without – you can start to think about how different types of homes might meet them.

Before you know it, the picture of your new home will become clearer. It can be useful to make a note of these key features, especially if you plan to enlist someone like a real estate agent to help with your search.

House hunting tools

Now that you've got your pre-approval sorted, here's where you can go to find the right home for you:

OneRoof

oneroof.co.nz

realestate.co.nz

realestate.co.nz

Trade Me

trademe.co.nz/property

Types of homes

Apartment



Apartments offer residents a compact living arrangement that frees up time and money with their no-fuss, low-maintenance requirements. They're generally sited close to shops and transport routes due to their higher-density form.

Walk-up



Walk-up buildings are typically two or three storeys high. These apartment buildings offer predominantly one-bedroom and two-bedroom units. Their low height means that elevators are not required.

Terrace



Terraced homes are often referred to as townhouses. They are joined with their neighbour on one or both sides to form a row. Terraces take up less land than a traditional stand-alone home, compensated for by their height so you get more out of your budget (and better views).

Duplex



Duplex homes are two individual residences that share a centre wall with their own separate entrances. They can be a more affordable option than a stand-alone home but still come with similar amenities.

Stand-alone



Stand-alone homes are detached from their neighbours.

Land and property ownership types

When you're searching for a home, you'll notice the land or section may be described differently from one property to the next – sometimes even when they're the same kind of house. These are the different types of land ownership in New Zealand, and some are more common than others. It's always a good idea to speak with your solicitor about this, as they'll be able to give you advice about the differences and what they could mean for you.

New Zealand has five main types of land ownership:

Fee simple	Also known as 'freehold' and the most common type of ownership in New Zealand. You own and have unrestricted use of the land and anything built on it unless there are registered or unregistered interests that restrict use of the property.
Leasehold	Where someone else owns the land and leases the right to use it (to live or build on) for a specific amount of time.
Stratum estate	Also known as a 'unit title' and a common type of ownership for apartments or buildings with multiple owners. You own your specific unit and accessories while common areas are owned collectively (such as foyers, lifts, gardens and laundry rooms).
Cross-lease	A combination of fee simple and leasehold. Under a cross-lease agreement, you own: <ul style="list-style-type: none"> • a share of the freehold title along with any other cross-leaseholders • a leaseholder interest in the specific area and home you live in. <p>A cross-lease agreement outlines the rights and obligations of each individual owner.</p>
Māori land	Māori land subject to Te Ture Whenua Maori Act 1993 where the property (home) purchaser has a right to occupy the land.



Visiting an open home

Notes

Open homes are the best way to find out if a property is right for you. They're a chance to check the layout and size of the rooms, to get a sense of the neighbourhood and to see what the area has to offer. If you're heading to an open home, here's a checklist of things to look for:

Inside the home

- Ask if the home has ceiling and floor insulation
- Bathroom and kitchen extractor fans and any other ventilation sources are in working order
- Heating sources are present and in working order
- Windows are double-glazed
- Carpets and other flooring are in good condition and flush with walls
- Doors are in good condition, open and shut correctly and are flush with their frames
- Windows are in good condition, open and shut correctly and are flush with their frames
- Power points are connected and working
- Lighting fixtures are connected and working
- Stove, oven and any other cooking facilities are connected and working
- Kitchen taps are working with no leaks and have suitable pressure
- Bathroom taps, shower and bath are working with no leaks and have suitable pressure
- Bedrooms have wardrobes or other storage
- Hallway has suitable storage
- Garage (if applicable) has suitable storage
- All locks on external doors are working properly
- All windows have security latches or stays
- Any damage in all rooms
- The home is free of visible mould, odours and smoking stains

Outside the home

- External walls are free of cracks or damage and paint is in a suitable condition
- The roof and drainpipes are free of damage and paint is in a suitable condition
- Pathways and paving are in a suitable condition
- Lawns and garden are in a suitable condition
- Any other outdoor structures like decks or patios are in a suitable condition
- Underfloor insulation is present and the area is dry
- Drains and gutters are free of any damage or blockages
- Retaining walls are free of any cracks, damage or bowing

Surrounding area

- There is suitable parking on the property and/or in the street
- Any shared spaces (where applicable) like pools, gyms or garden spaces are suitable and well maintained
- Neighbourhood access to healthcare, public transport and other needs

Finding the right home

My budget:



Types of homes:

- Apartment
- Walk-up
- Terrace
- Duplex
- Stand-alone

Size:

I need a minimum of _____ bedrooms and _____ bathroom(s),
and the section needs to be at least _____ m².

I'd like my new home to be in one of these towns or suburbs:



Buying off the plans?

This is when you agree to buy a home before construction has finished. You'll see what the final home will look like from architectural plans or blueprints and will review a full list of specifications and inclusions before signing a sale and purchase agreement.

Growing your support team

You're getting good at spotting every detail at the open homes you visit, but now it's time to turn to the professionals:

Building inspector

A building inspector can thoroughly inspect a home you are seriously interested in, giving you the all-clear on everything you worked through in your open home checklist and more. They should, for example, pinpoint notable defects and potential maintenance issues, including urgent ones, and check for structural issues or any indications of the property being prone to leaks. A building inspector's report may also be a condition of your home loan.

You can find a list of building inspectors in your area at boinz.org.nz.



Tip – Visiting an open home

Before heading to an open home, download our '[Visiting an Open Home Checklist](#)' with the key things you need to look out for.

Resources for your search

For free and independent information and advice from the Real Estate Authority on all aspects of buying a home:

Settled

settled.govt.nz

For property value estimates and facts about any home, its location, sales history and council valuation:

homes.co.nz

homes.co.nz

QV

qv.co.nz

Trade Me Property Insights

trademe.co.nz/property/insights

Your local council

lgnz.co.nz

Checklist – Searching !!!

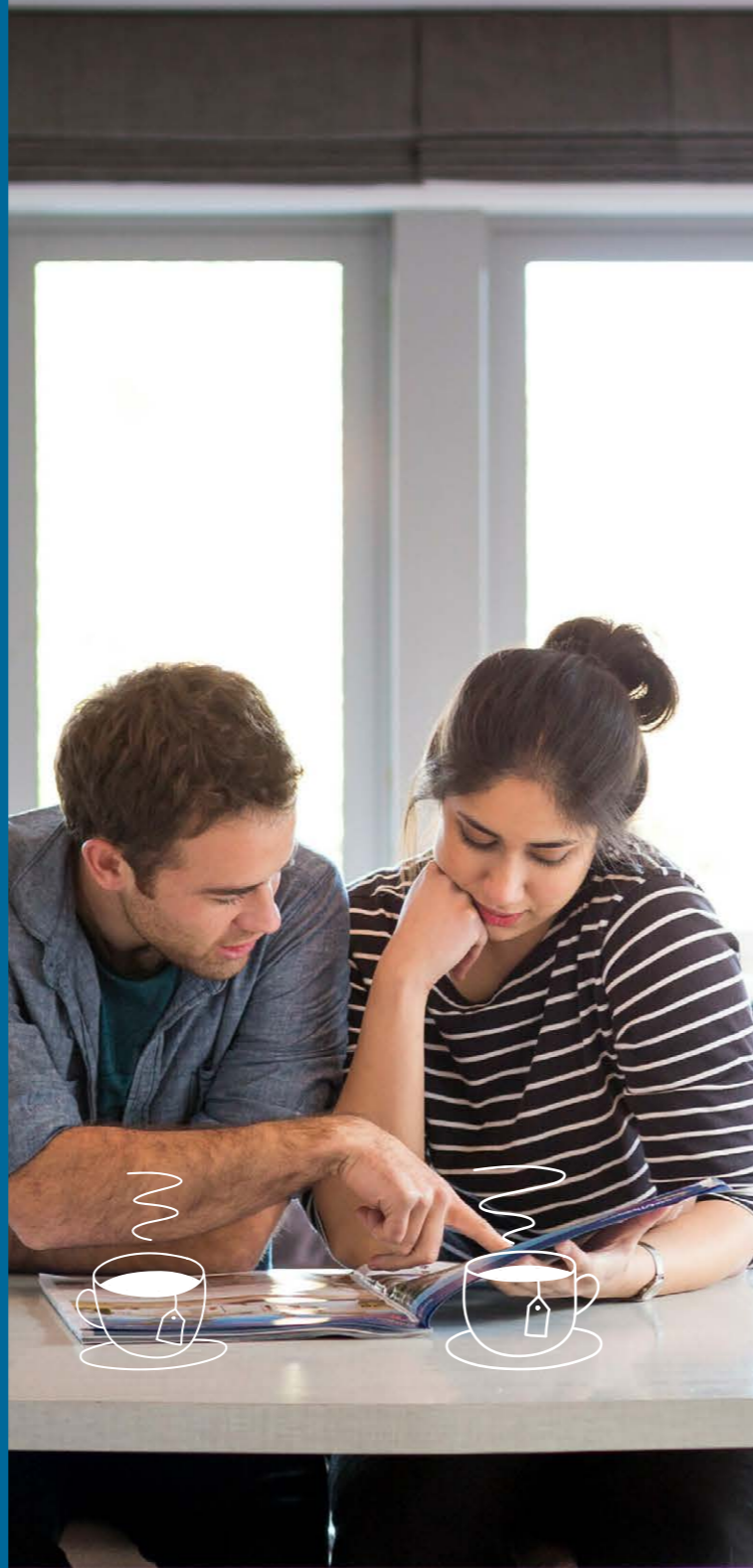
I have:

- Made a list of my needs and wants to narrow my search
- Turned my needs and knowledge into housing types that work for me
- Familiarised myself with the house-hunting resources available
- Visited my first open home
- Reached out to a building inspector about a home I'm seriously interested in

Notes

4. Buying

This step is all about navigating the process of buying your first home. From learning about the different types of offers and sales methods to actually making your first offer and doing your due diligence, you'll soon know everything you need to do to see that long-awaited 'sold' sign.



Types of offers

This is it – you've found the home that's right for you. Now it's time to make an offer. There are two types of offers – conditional and unconditional.

Conditional offer

This is where your offer has specific conditions that must be met before your sale and purchase agreement can be finalised. Your conditions might include things like:

- getting advice and approval from your solicitor
- your bank or lender confirming finance
- a building inspector's report (recorded).

Any conditions will need to be completed by an agreed date.

Unconditional offer

This is when there are no further conditions attached to your offer to buy. When an unconditional offer is accepted, you're legally obligated to complete the purchase of the home. It's often the next step when you've worked through everything needed under your conditional offer but can also be the first offer made in specific situations (like at auction).

Whatever the situation, it's always best to make an unconditional offer only after you've sorted things like your building inspector's report, confirmed your full home loan is approved and had your solicitor review the sale and purchase agreement. These steps are part of a process called due diligence, which your solicitor will be able to guide you through.

Doing your due diligence

This is where you collect all the important information and documents about the home you're looking to buy. When you make a conditional offer to buy a home, that offer will include time to allow you to complete any outstanding due diligence.

You may have a range of different things to check, and your solicitor will help by reviewing everything and making sure you know what it all means for you. These are the most common due diligence checks:

- **Land Information Memorandum (LIM) report:** Your local council keeps detailed information about things like existing requisitions (orders to fix a problem), building consents and whether the property is subject to resource consents and provides this in a LIM report.
- **Building inspector's report:** A detailed look at the structural condition of the home and section. If the report finds any defects that need repair, you may be able to negotiate with the vendor (seller) to have them fixed before your settlement date or have the purchase price reduced.
- **Valuation:** Your bank or lender may request a valuation by an independent registered valuer to show that you're paying a fair price for the home. It's also a good way to make sure you're getting the best deal you can.
- **Title, easements and covenants:** The title gives the legal description of the property and its current owner and shows any loans currently registered against it. Easements and covenants listed on the title can place restrictions on what you can do on the property.



Tip – bidding at an auction

If you're planning to buy at auction, you'll need to complete your due diligence before the auction date as a successful bid is considered an unconditional offer.

Sale and purchase agreements

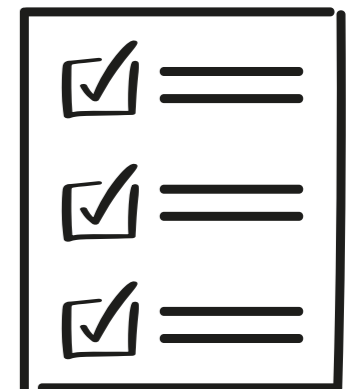
Every home sold in New Zealand must have a sale and purchase agreement, a legal contract between the buyer and the vendor. It covers what will happen and when and set out all the agreed terms and conditions of purchase. It usually includes:

- the names of the people involved in buying and selling the home
- the address of the home
- the type of title
- the purchase price and deposit amount
- chattels – things like furniture or appliances – that are being sold with the home
- any specific conditions from you or the vendor
- the settlement date (if available).

When you make an offer to buy a home, it's likely a real estate agent or the vendor's solicitor will draw up a standard sale and purchase agreement for you. Once both you and the vendor have signed it, you're both legally obligated to meet its terms.

Arranging full approval of your home loan

Having your offer accepted can be a joy and a relief, and it's also your cue to finalise full approval of your home loan. This is when your bank or lender reviews all available documents about the home you've found to make sure it meets its lending conditions. Getting full approval confirms your total loan amount and means you can continue with your offer to purchase the home or bid on it at auction.



How homes are sold



When you're browsing listings for your future home, you'll start getting familiar with the four main ways homes are sold: by negotiation, at auction, by tender (or deadline sale) or through private sale. Each has its own conditions and requirements, so it pays to talk with your solicitor for advice on what will suit you best.

Negotiation

This is the most common way a home is sold. It's listed with or without a price, and you make a written offer to buy it – including how much you're willing to pay. The vendor will look at your offer and do one of three things: accept it, reject it or make a counter-offer. If they make a counter-offer, that's when you enter into negotiations.

The price you offer is usually the main area of negotiation but it may also involve things like:

- the chattels and anything else included with the home
- the settlement date
- any conditions you or the vendor want included.

Any conditions to be met before the offer becomes unconditional will be set out in the sale and purchase agreement.



Tender or deadline sale

This is when a home is listed with no price and all interested buyers make a conditional or unconditional offer. The vendor then reviews and accepts their preferred offer or in some cases may enter into negotiations with several buyers.

This can be a tricky way to buy a home as the vendor is usually able to set most of the terms of sale. It also means competing buyers have to make assumptions and predictions about what other offers are being made.

A deadline sale is similar to a tender process but with more opportunity for negotiating conditions. The agent will often use a tender document, which is a type of sale and purchase agreement.

Private sale

Most private sales are negotiated directly between the buyer and seller without a real estate agent representing the vendor. If you're thinking about making an offer on a private sale, it's really important to let your solicitor know from the very start and keep them involved through every step of any negotiation. They'll help you resolve any challenges you come across.

If buying a privately listed home, you'll pay your deposit to your solicitor and they'll hold it in trust until settlement day.

Auction

A sale by auction is where you bid against other interested buyers. The vendor sets a reserve price or minimum price to sell the home as well as conditions of purchase (such as the settlement date).

Not all homes will sell on auction day. If bidding doesn't reach the vendor's reserve price, the home is 'passed in' and they may choose to negotiate with the highest bidder.

If you buy a home at auction, the sale is unconditional – you'll need to get legal advice and do your due diligence, have your finance approved ahead of the auction and be ready with your deposit on the day.



Can I make changes to an auction agreement?

You may be able to ask for changes if you find a home you want but see it's going to auction with conditions that don't match your needs, but this needs to be sorted before auction day. Talk with the real estate agent and your solicitor about this, and the seller will be able to decide if they're happy with any changes or conditions you ask for.

Pre-auction offers

In some cases, the vendor may be willing to accept an offer before the advertised auction date. Usually, this will mean the auction goes ahead earlier than planned or it's cancelled altogether if a sale and purchase agreement is signed.

As long as you've registered your interest in a home, the real estate agent should let you know if another buyer makes a pre-auction offer and whether it has been accepted.

If you want to make a pre-auction offer yourself, the best place to start is by speaking with your solicitor. They'll take you through everything you need to do, including checking the auction's terms and conditions to see if a pre-auction offer can be withdrawn. If it can't, any offer you make will become the first bid when the auction starts, and that's when you can let the auctioneer know you need to withdraw it.



Tip – KiwiSaver and auctions

If you're making a KiwiSaver first-home withdrawal, this can't be used for your deposit when buying at an auction. Your KiwiSaver contribution will instead be paid towards the purchase on settlement day.

Checklist – Buying

Notes

I have:

- Learned about the different types of offers
- Completed my due diligence for a home I'm interested in
 - LIM report
 - Building inspector's report
 - Registered valuation
- Found out how the home will be sold
 - Negotiation
 - Tender or deadline
 - Private sale
 - Auction
- Made an offer on a home
- Reviewed the sale and purchase agreement
- Had my home loan fully approved
- Moved my offer to unconditional

5. Settling

This is the stage of the home buying journey where you can finally start to settle – it's when you take legal ownership of your new home – you just have a few more things to take care of first.

In this step, you'll find out about finalising your home loan structure, arranging home insurance and the tasks you'll need to complete before you take ownership.



Your pre-settlement tasks

This is what you've been working for from the moment you took that first step and started setting some goals – settlement day is when a house becomes your home.

The length of a settlement period – the time between your offer becoming unconditional and the moment you get the keys – can be different for everyone.

The good news here is there's lots to keep you busy between now and then. Here's what you need to do before settlement day.

Finalise your home loan details

Once your settlement date is confirmed, get in touch with your bank or lender to finalise your home loan, take you through the options for your loan type and structure, confirm your interest rate and outline your repayment schedule.

Arrange insurance on your home

You'll need to be covered from the first day you take ownership. It's likely home insurance will be a condition of your home loan, and you may need to record your bank or lender on your insurance policy as an interested party. Your solicitor and bank or lender may also ask for copies of your policy ahead of settlement.

Your pre-settlement inspection

This is a chance for you to inspect the home before you formally take ownership to make sure it's handed over in a condition you're happy with. This is normally arranged through the vendor or their real estate agent and usually at least 2 days before your settlement date. You can check for things like:

- any noticeable or new damage
- any agreed maintenance, repairs or touch-ups have been completed
- all lights, electrical outlets and fixtures are working
- all agreed chattels are present and working
- any rubbish has been removed.

You may find it helpful to bring a copy of your sale and purchase agreement along to the inspection. It'll make it easier for you to check all chattels are in place and the vendor has met the conditions you agreed on. If you spot any issues during your inspection, let the real estate agent know and contact your solicitor with a list of the things that need to be done.

Finalise any remaining funds

Your solicitor will let you know if there are any funds you need to transfer, the amount and where to send them. By making sure you've taken care of this as soon as you can, you'll give yourself the best chance of your settlement running smoothly.

What happens on settlement day

To avoid delays, your solicitor will have let you know everything you needed to do before settlement day, meaning they can take care of everything else on your behalf. They will:

- confirm you have paid any outstanding funds
- let your bank or lender know how much money is needed to settle the purchase
- arrange for your loan to be drawn down and paid to the vendor
- check that the rates have been paid by the vendor and are up to date
- work with the vendor's solicitor to finalise the transfer of ownership
- register the home and the record of title with you as the new owner.

These steps need to happen in order, so a delay at any stage may affect how long settlement takes. Once your solicitor has let you know the sale has settled, you can begin preparing to move in to your new home. It may be late in the day by the time everything is sorted, so it's a good idea to allow an extra day before you plan to move in.



Getting help if something goes wrong

The settlement process is straightforward and usually runs smoothly, but if you have concerns at any stage, get in touch with your solicitor for help. They'll be able to answer any questions and let you know how everything is progressing.

Getting ready to move in

Congratulations! You've just gone through every step, worked hard and bought your first home. You'll have more to do as you settle in and adjust to the responsibilities that come along with being a homeowner, but don't forget to take a moment to give yourself some credit and celebrate in whatever way you like to – you deserve it.



Checklist – Settling !!!

I have:

Confirmed my home loan and repayments with my bank or lender

Completed my pre-settlement inspection

Sorted my home insurance before settlement day

Arranged for my solicitor to draw down and pay any outstanding funds

Picked up the keys to my new home!

Notes

Where to find out more



If you'd like to learn more about getting ready to buy a home:

Visit
kaingaora.govt.nz/home-ownership

To learn more about the range of Kāinga Ora home ownership products and programmes:

Visit
kaingaora.govt.nz/home-ownership

Email
firsthome.enquiries@kaingaora.govt.nz

Call
0508 935 266 (Monday to Friday, 9am - 5pm)



Useful resources

Citizens Advice Bureau

cab.org.nz

A nationwide community organisation that offers free, confidential and independent advice to help citizens understand their legal rights and obligations.

FinCap

fincap.org.nz

A non-government organisation that supports financial mentoring services and training.

Find a building inspector

boinz.org.nz

Search for a building inspector in your area.

Find a conveyancer

nzconveyancing.co.nz

Search for a conveyancer near you.

Find a solicitor

propertylawyers.org.nz

Search for a solicitor and pick up tips on how to find the right one for you.

homes.co.nz

homes.co.nz

An online resource that can provide insights into details of a home, including an estimated value, facts about the home and location, sales history and council valuations.

QV

qv.co.nz

An online resource that can provide insights into details of a home, including an estimated value, facts about the home and location, sales history and council valuations.

realestate.co.nz

realestate.co.nz

Property listings by real estate agents.

Settled

settled.govt.nz

Free and independent information and advice on all aspects of buying and selling a home from the Real Estate Authority, the government agency that regulates the New Zealand real estate industry.

Sorted

sorted.org.nz

Free and independent tools and resources to help you budget and get your finances sorted.

Trade Me

trademe.co.nz/property

One of New Zealand's largest websites for property listings.

Trade Me Property Insights

trademe.co.nz/property/insights

An online resource from Trade Me that can provide insights into details of a home, including an estimated value, facts about the home and location, sales history and council valuations.

Your local council

lgnz.co.nz

Find the contact details for all local councils to get things like the LIM report for a home you want to buy.

Common terms

Body corporate

A legal entity established to manage and maintain the common areas of a multi-unit property or development such as residential unit blocks, townhouse complexes and high-rise condominium buildings.

Budget

A plan that outlines how money will be earned and spent over a specific period, typically covering income, expenses and financial goals.

Code Compliance Certificate (CCC)

A formal statement issued under section 95 of the Building Act 2004 that building work carried out under a building consent complies with that building consent.

Complying fund

A registered employer-sponsored superannuation fund that allows members to choose to contribute a percentage of their salary and can only be accessed on the same terms as a KiwiSaver scheme.

Cross-lease

A property title that is a combination of fee simple and leasehold under a cross-lease agreement.

Deposit

A sum of money payable as a first instalment on a home loan as part of a home purchase.

Eligibility criteria

The specific criteria that determine if an applicant is eligible for a First Home Grant.

Exempt employer scheme

An employer-sponsored superannuation scheme that does not require a member to lock in member contributions as required by KiwiSaver schemes but can meet the eligibility criteria for a First Home Grant.

Fee simple (freehold)

A common type of ownership in New Zealand where you own and have unrestricted use of the land and anything built on it unless there are registered or unregistered interests that restrict use of the property.

First home buyer

An individual who has not previously owned a home or land in New Zealand or overseas.

First Home Grant

A one-time grant for first home buyers administered and issued by Kāinga Ora.

First Home Loan

A low-deposit loan for first home buyers underwritten by Kāinga Ora and issued by participating banks and lenders.

Home loan

A financial loan given by a bank or other financial lender for the purposes of purchasing a residential home or property.

Interest rate

The interest charged on a financial loan.

Kāinga Ora

A Crown agency of the New Zealand Government that oversees the implementation of the government's housing and urban development policies.

KiwiSaver

A voluntary savings scheme designed to help New Zealanders save for retirement through regular contributions made from members' earnings, employer contributions and the government.

KiwiSaver first-home withdrawal

A one-time option to withdraw all or part of savings from a KiwiSaver fund to put towards the purchase of a first home.

Land Information Memorandum (LIM)

A report issued by the local council that provides essential information about a property. It includes details such as zoning, building consents, Code Compliance Certificates (CCC) and other relevant information that may impact the property or its value.

Leasehold

An ownership structure where the owner of the land agrees to lease the right to use the land to live or build on for a period of time.

Lender

A participating bank or financial lender who will lend money for the purposes of a home loan for eligible applicants wanting to buy a home.

Lending criteria

The requirements set by a bank or lender that a loan applicant must meet as part of a lending assessment.

Loan

A sum of borrowed money (such as a home loan).

Māori land

Māori land subject to Te Ture Whenua Maori Act 1993 where the purchaser of the home has a right to occupy the land.

Mortgage

A loan specifically used to purchase real estate where the property itself serves as collateral for the loan.

Off the plans

Agreeing to purchase a new home before construction has been completed.

Pre-approval

Confirmation that you meet the eligibility criteria for a First Home Grant before you have found a home or land to purchase.

Previous homeowner

An individual who has previously owned a home or land either in New Zealand or overseas but no longer does.

Property file

A collection of documents and records related to a specific property that are not included in a LIM report such as building and resource consent documents and any correspondence with the local council about the property.

Registered valuation

A formal assessment of the value of a property conducted by a registered valuer. It provides an independent and professional estimate of the property's market value.

Settlement date

The day when the property transaction is finalised and ownership officially transfers from the seller to the buyer. On this date, the buyer pays the remaining purchase price and the seller hands over the keys.

Stratum estate (unit title)

A common type of ownership for apartments or buildings with multiple owners where you own a specific unit and common areas are owned collectively.

Tenant Home Ownership Grant

A grant of 10% of the purchase price of selected Kāinga Ora houses, up to a maximum of \$20,000, administered and issued by Kāinga Ora.

Disclaimer

The material contained in this guide is for informational purposes only and is subject to change. Its content is intended to be of a general nature and is not intended to address the financial circumstances or goals of any particular individual or entity. All reasonable steps have been taken to ensure the quality and accuracy of the information presented. The eligibility criteria or other policies applicable to home ownership products administered and supported by Kāinga Ora may be changed, deleted, added to or otherwise amended without notice. It is recommended you seek independent professional advice before applying for or acquiring any financial product or service.

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This booklet is also available at
kaingaora.govt.nz/home-ownership.