

Elevate Your Return Home

A comprehensive guide for overseas Kiwis navigating New Zealand's property market with confidence and expertise.





The Challenge Landscape

The dream of returning home often faces bureaucratic and financial hurdles. We understand the complexity of buying from thousands of kilometres away. Here is the landscape of challenges we eliminate for you:

Financial Complexity

Foreign income assessment, currency discounting, and strict DTI ratios create unique lending challenges.

Legal Navigation

Overseas Investment Act compliance, AML/CFT requirements, and remote documentation processes.

Remote Risks

Buying "sight unseen" requires expert local teams and comprehensive due diligence strategies.

Foreign Income Reality Check

Understanding how foreign income impacts your borrowing power in New Zealand requires a clear look at the conversion and discounting process. Lenders apply specific factors to mitigate currency and assessment risks.



Initial Foreign Income

Your gross foreign income, such as a **\$200,000 USD salary**, forms the starting point. This is the amount before any local adjustments by NZ lenders.



Currency Conversion

This income is first converted to NZD. For example, at a hypothetical **1.6 exchange rate**, \$200,000 USD becomes **\$320,000 NZD**. This ensures all figures are comparable in the local currency.



The Discounting Factor

NZ lenders then apply a significant discount, typically **10-40%**, to the converted NZD income. This accounts for currency fluctuations, income stability, and other risks. For our example, a **25% discount** reduces \$320,000 NZD by \$80,000.



Assessed Borrowing Power

After discounting, your income is assessed as **\$240,000 NZD** ($\$320,000 \times 0.75$) for borrowing purposes. This means your actual borrowing capacity will be notably less than your converted gross income might suggest.

It's crucial to note that major banks generally prefer PAYG/salaried income, and self-employed applicants often face rejection or stricter criteria. Furthermore, all overseas liabilities will impact your assessed capacity, making a comprehensive understanding of your financial position vital.

Lender Landscape: Your Options

Characteristic	Major Banks	Second-Tier Lenders
Flexibility	Rigid criteria	Greater flexibility
Interest Rates	Generally lower	Higher rates
Best For	Standard PAYG earners	Self-employed/complex income
Approval Risk	High rejection risk	More accommodating

Major banks often stop at the word 'overseas' or 'self-employed.'

- ❏ This is where **Elevate Wealth's expertise truly shines**. With a deep relationship network among second-tier lenders, we are uniquely positioned to assist self-employed individuals and those with complex income structures in navigating this space when major banks often say no.

Documentation Essentials

01

Identity & Address

Valid passport and recent utility bills or bank statements for address verification.

02

Income Proof

3-6 months payslips, employment contracts, tax returns. Self-employed need financial statements.

03

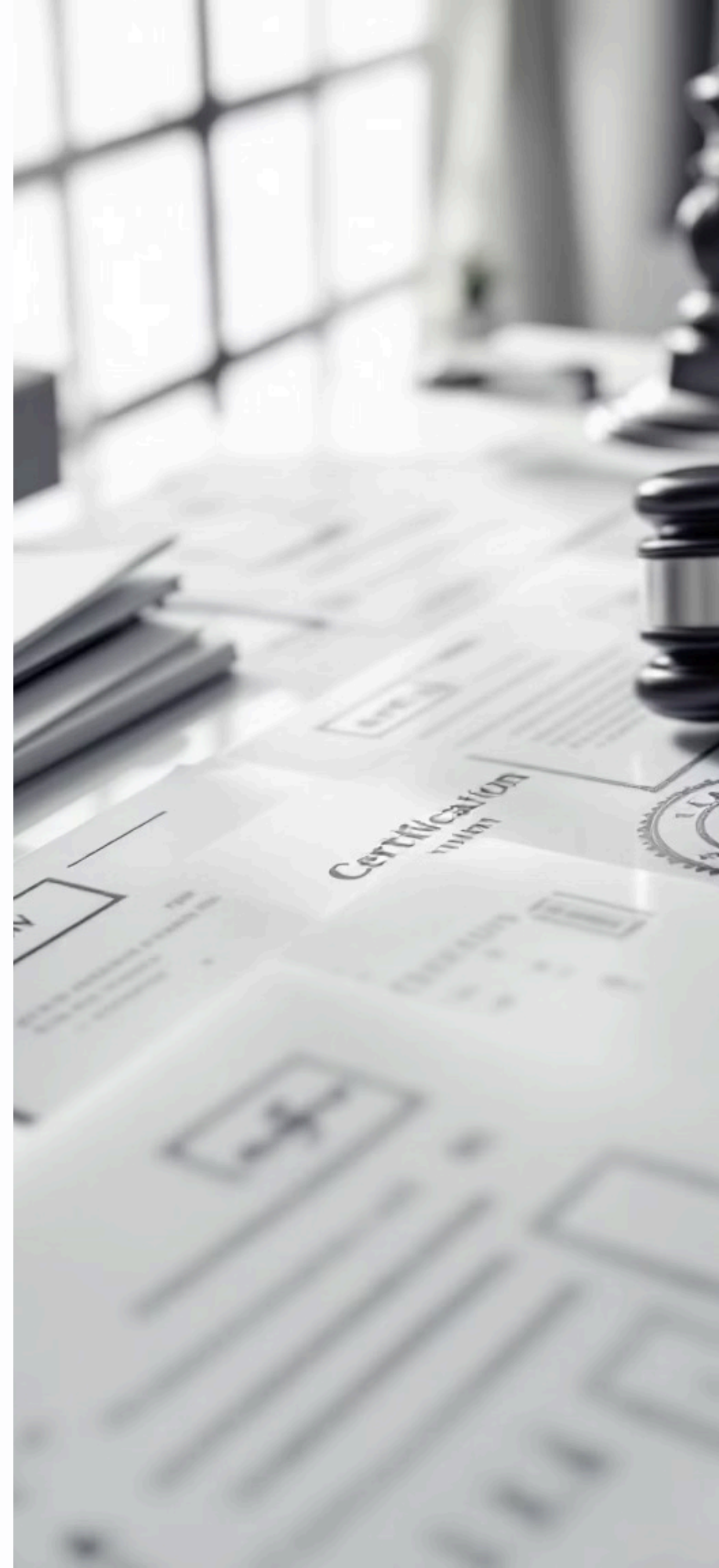
Financial Statements

3 months bank statements for all accounts, credit cards, and loan statements.

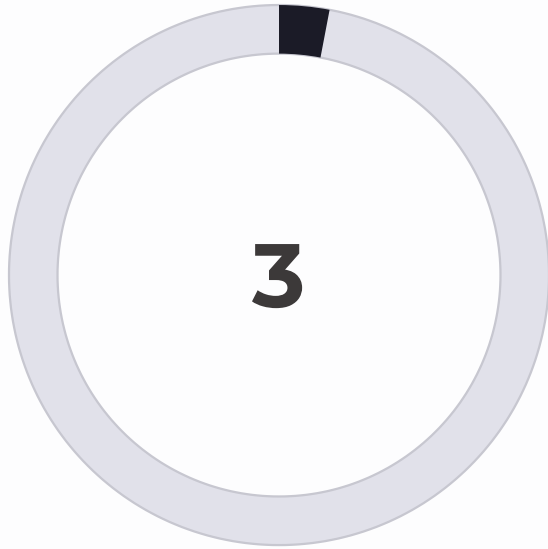
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Certified Copies

All documents certified by notary public, lawyer, or NZ embassy staff member. Elevate Wealth provides clear, step-by-step instructions and connections to authorized certifiers in your region to ensure compliance is met quickly.



KiwiSaver: Your First Home Advantage



Minimum Years

Required membership period before withdrawal eligibility



Minimum Balance

Must remain in account after withdrawal

Critical requirement: Property must be your main home, not an investment. Government contributions cannot be withdrawn and are returned upon permanent emigration.

Legal Compliance: OIA Simplified

NZ Citizens

No OIA consent required regardless of residence location. Complete freedom to purchase residential property.

Mixed Couples

Only one partner needs to meet OIA rules. NZ citizen partner satisfies requirements for both.

Residence Visa Holders

Must pass "ordinarily resident" test or obtain OIO consent (10-30 working days).

We structure your loan application in advance to account for OIO consent timelines, ensuring your pre-approval doesn't expire while awaiting OIO approval.

Your Essential A-Team

Building your New Zealand property dream requires a coordinated effort. Our mortgage brokers act as the central navigators, orchestrating a team of professionals to ensure a smooth and successful journey.



Mortgage Broker

The Central Navigator for your entire journey. We translate foreign income into NZ borrowing power, match you to OIA-friendly lenders, and coordinate your A-Team.



Lawyer/Conveyancer

Manages legal paperwork, OIA compliance, and protective clauses via video conferencing.



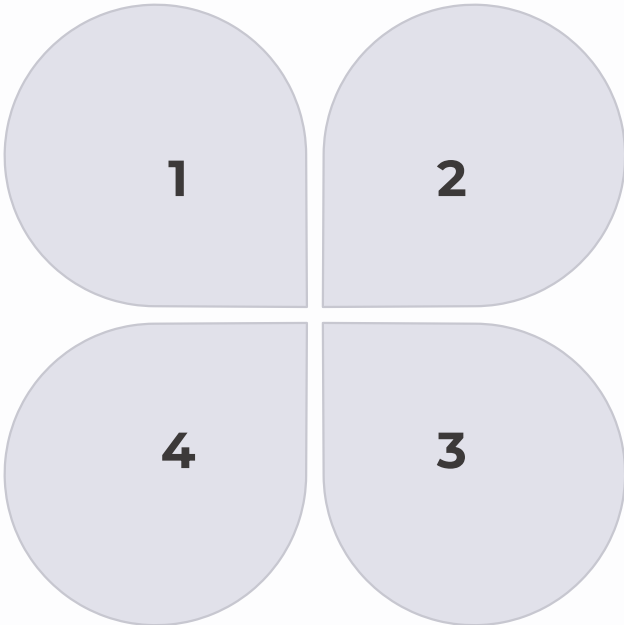
Valuer

Independent market value assessment ensuring fair pricing and bank collateral requirements.



Building Inspector

Provides detailed third-party reports to mitigate "sight unseen" purchase risks.



Timeline & Tax Considerations



Realistic Timeline

- Document preparation: 2-4 weeks
- OIO consent (if required): 10-30 days
- Conditional period: 2-3 weeks
- International transfers: Additional delays



Bright-line Tax Rules: The Holding Period

What it is: The Bright-line test determines if profit from the sale of residential property is taxable income. The required holding period is based on when you purchased the property:

- **2 Years:** Applied to properties acquired between October 2015 and March 2018.
- **5 Years:** Applied to properties acquired between March 2018 and March 2021.
- **10 Years:** Applied to properties acquired on or after March 27, 2021.

Note: As of July 1st, 2024, the government has announced a return to a 2-year bright-line period, meaning profits from sales after two years of ownership are not taxable. We will confirm which specific rule applies at the time of your purchase, ensuring you buy with a clear exit strategy.



Main Home Exemption: Your Key Advantage

- **The Exception:** Profits from a sale are not subject to the Bright-line test if the property was primarily used as your main home.
- **The Rule:** To qualify, the property must have been used as your main home for more than 50% of the total ownership period.
- **Action Point for Overseas Kiwis:** Since you are returning to occupy the property, you are highly likely to qualify for this exemption, provided you move in quickly and live there for the required duration.

Disclaimer & Expert Support

- **Tax Disclaimer:** Elevate Wealth does not provide tax advice. Tax considerations can be complex, especially with international income and asset holdings.
- **Call to Action:** We strongly recommend coordinating with a qualified New Zealand Tax Advisor immediately. As part of your A-Team, we can connect you with trusted cross-border tax specialists to ensure your purchase strategy is fully compliant and optimized.



Your Seamless Path with Elevate Wealth

1

Expert Navigation

Deep understanding of NZ lending landscape ensures optimal lender matching for your unique situation.

2

Streamlined Process

Comprehensive documentation support and AML/CFT compliance guidance eliminates time-consuming hurdles.

3

Trusted Network

Coordinated team of lawyers, inspectors, and professionals mitigates remote transaction risks.

4

Complete Support

From application to settlement and beyond, including tax implications and ongoing guidance.

Transform complexity into confidence. **Don't navigate your return alone** - your journey home starts here.

Ready to Simplify Your Return?

Contact us for your Foreign Income Borrowing Assessment



Important Disclaimer



General Information Only

This guide provides general information, not financial, legal, tax, immigration, or property advice. It is based on current NZ laws and regulations, which can change without notice.



No Guarantees or Warranties

While we strive for accuracy, Elevate Wealth makes no representations or warranties regarding the completeness, accuracy, reliability, or suitability of this information for any purpose.



Seek Professional Advice

Always consult independent professionals for advice tailored to your specific circumstances before making any financial or legal decisions regarding NZ property.



Use at Your Own Risk

Any reliance on the information in this guide is solely at your own risk. Elevate Wealth is not liable for any actions taken based on this content.