

First Home Buyers Cheat Sheet

How Kiwis Buy Their First Home with Less Than 20% Deposit

A simple cheat sheet to show you how smaller deposits, KiwiSaver and smart prep can get you pre-approved faster.

- 🕒 **You do NOT always need a 20% deposit to buy your first home in New Zealand.** The 20% rule is only half the story. There are several well-used paths to buying with a smaller deposit – and thousands of Kiwis use them every year.

The 3 Deposit Paths

Think of your options in three main paths, not just '20% or nothing':

Path A — 20% Deposit

Best rates, lowest fees, and full lender choice.
Great if you're already there, but it's not the only option.

Path B — 10% Deposit

Often workable with stable income and tidy accounts.
More lenders than you'd expect will consider this.

Path C — 5% Deposit

Possible via options like First Home Loan.
Some new builds may also qualify if you meet the criteria.

Your real question isn't 'Do I have 20%?' – it's 'Which path could I qualify for, and how do I get there fastest?'

How People Actually Build a 5–10% Deposit

Most first home buyers don't have their whole deposit sitting in one savings account. They usually combine 2–3 of these sources to reach 5–10% faster than they expect.

- 1 KiwiSaver First Home Withdrawal**
You can withdraw most of your KiwiSaver balance.
Usually requires 3+ years of contributions and a home you will live in.

- 2 Regular Savings / Term Deposits / Investments**
Your own savings and investments over time.
A steady habit over 12–24 months helps build momentum.

- 3 Gifts or Loans from Family**
Family contributions are very common.
Lenders need clear documentation and transparency.

- 4 Family Equity / Security Support**
A family member may use equity in their property to help support your loan.
An adviser can help explain the full picture.

- 🕒 Example: \$18,000 in KiwiSaver + \$7,000 in savings + \$5,000 from family = \$30,000 total deposit. On a \$500,000 home, that's 6% – often enough to start a serious conversation.

📌 "Do I Look Like a Low-Deposit Candidate?" Checklist

Tick through these quickly – you might already be closer than you think.

- I have at least 5–10% when I add up KiwiSaver, savings, and any likely family help.
- I've been contributing to KiwiSaver for 3 years or more.
- I plan to live in the property — not use it as an investment.
- My income is relatively stable (PAYE employment or consistent self-employed income).
- My bank accounts are reasonably tidy over the last 3–6 months (no frequent missed payments or unarranged overdrafts).
- I'm willing to consider options like First Home Loan or new builds if they help me get in sooner.
- I haven't recently taken on large new debts (car loans, BNPL, credit cards).
- I have a realistic sense of what I can afford in my area.

📌 3 Common Deposit Myths — Busted

Myth: "You need 20% or the bank won't even look at you."

Truth: 5–10% options exist, including First Home Loan and some low-deposit lending for eligible buyers.

Myth: "I should wait until I've saved 20% so I look better to the bank."

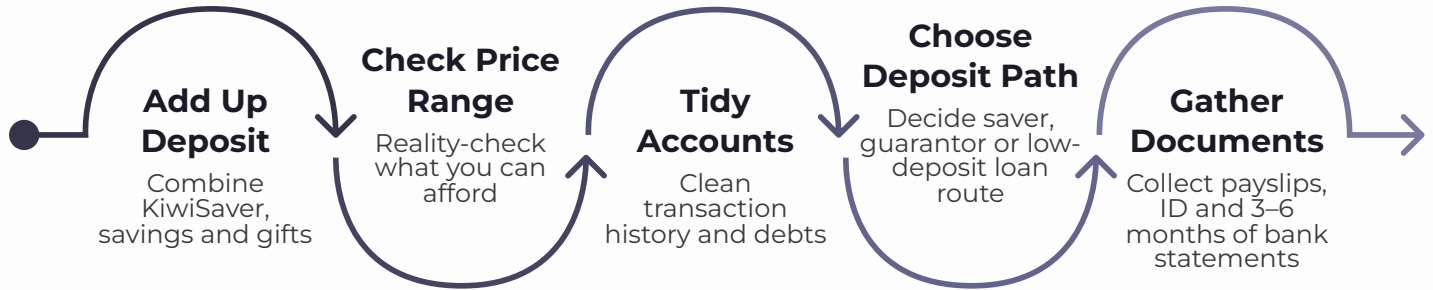
Truth: In a rising market, prices and rents can move faster than your savings. Sometimes getting in sooner with a smaller deposit is smarter.

Myth: "If I talk to an adviser before I hit 20%, I'll be wasting their time."

Truth: The best time to talk is when you're not sure what's possible. A good adviser wants to talk to you early to give you a roadmap, not just a yes or no.

Your 7-Step Roadmap: From Small Deposit to Pre-Approval

Pre-approval isn't a mystery — it's a clear, doable process. Here's exactly how it works, step by step.



01

Add Up Your True Deposit

Combine your KiwiSaver estimate, savings, likely gifts, and any family support. This gives you your real deposit percentage, which is often higher than people expect.

04

Choose Your Deposit Pathway

With an adviser, work out whether you're best suited to standard bank lending, a low-deposit loan, the First Home Loan scheme, or a new build option. This decision shapes everything that follows.

07

Move from "Saving" to "Shopping"

Once pre-approved, stop endlessly chasing a magic 20% number. Focus on viewing properties, doing due diligence, and finding the right fit for your situation.

Pre-Approval: What Helps vs What You Can Fix

Don't let anxiety about being "perfect" stop you from taking action. Here's what lenders actually look at — and what's fixable.

✓ Green Flags

These make your application look stronger:

- Stable, consistent income (PAYE or reliable self-employment)
- A regular savings pattern — even modest amounts
- Low or well-managed debt levels
- No missed payments or unarranged overdrafts in the last 3–6 months
- Realistic expectations about your price range
- A clear deposit plan combining 2–3 sources

⚠ Red Flags (Fixable — Not Fatal)

These don't have to be deal-breakers, but they're worth working on early:

- Multiple missed payments or dishonour fees recently
- High short-term debt (credit cards, buy-now-pay-later) with no plan to reduce it
- Trying to borrow at the absolute top of what's realistically affordable
- Inconsistent income with no documentation to support it
- Large unexplained deposits or withdrawals in your statements

Even with a few red flags, getting clarity is better than guessing. You might be closer than you think — or you'll walk away with a clear 6–12-month plan.

Ready to Find Out Which Path Is Right for You?



About Andrew Becker — Elevate Wealth

Andrew is a New Zealand mortgage adviser helping Kiwis turn confusion into clear steps — from first home through to long-term wealth. He works with multiple lenders, specialises in first home buyers and low-deposit strategies, and has had this exact conversation hundreds of times. There's no judgement here — just a clear, honest conversation about what's possible for you right now.

Book Your Free 15-Minute First Home Strategy Call

Find out which low-deposit path you could take, and walk away knowing exactly where you stand and what your next step is — whether that's this month or in 12 months.

On the call, we'll review your numbers, talk through which deposit path fits you, and outline your next 3–5 steps.

[Book My 15-Minute Strategy Call](#)

✉ Prefer to Start by Email?

Prefer to start by email? Click 'Email Andrew' and send a quick snapshot of your situation with 'First Home Buyers Cheat Sheet' in the subject line. No forms, no pressure — just a real answer to your real situation.

[Email Andrew](#)

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