



# The First-Home Buyer's Guide to New Zealand

## Your Blueprint for Homeownership

The journey to buying your first home is one of the most significant moments in your life. It's a powerful step toward financial independence and a place you can truly call your own.

# From Challenge to Confidence



Yes, this path can feel overwhelming, filled with unfamiliar terms and a maze of regulations. Many aspiring homeowners feel unsure of where to even begin.

At Elevate Wealth, we believe that informed decisions are the foundation of lasting wealth. Our mission is to transform the home-buying process from an intimidating challenge into a clear, confident journey.

This guide is your personal roadmap, designed to simplify every step and provide you with a strategic blueprint for success.

Our partnership goes beyond a single transaction. It's a commitment to a relationship built on expert guidance and tailored advice. We want to empower you, ensuring your home purchase is not just a place to live, but a powerful foundation for your long-term financial security.



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## Building Your Deposit

Financial foundation



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## Pre-Approval

Your golden ticket



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## Due Diligence

Property investigation



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## Making an Offer

Strategic negotiation



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## Settlement

Getting the keys

# Your Strategic Foundation

## The Path to Funding Your First Home

Building a strong financial foundation is the first step toward homeownership, but you don't always need a massive deposit to get started. While a 20% deposit has long been the market standard for a home loan, many powerful tools and government schemes exist to help those with a smaller deposit. We can help you navigate these options with a smart, tailored approach.

### Understanding Key Financial Terms

#### **Loan-to-Value Ratio (LVR)**

The ratio of your home loan to the total value of your property. For example, if you have a \$800,000 loan for a \$1,000,000 property, your LVR is 80%. A lower LVR is often preferred by banks.

#### **Debt-to-Income Ratio (DTI)**

A critical measure, your DTI is a bank's way of measuring how much debt you have for every dollar you earn. Lenders are subject to DTI restrictions set by the Reserve Bank, making your personal financial audit more important than ever.

#### **Serviceability**

This is a bank's assessment of your ability to make regular loan repayments. They look at your income, spending habits, and existing debts to determine if you can afford the loan now and if interest rates were to rise.

# Your Top Funding Options

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## KiwiSaver First-Home Withdrawal

For most New Zealanders, your largest source of a deposit is your KiwiSaver account. You can withdraw a portion of your savings if you've been a member for at least three years and meet the criteria of a first-time buyer. Just remember that you need to leave a minimum of \$1,000 in your account, and any funds from an Australian superannuation scheme cannot be withdrawn.

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## Kāinga Ora First Home Loan

This government-backed scheme allows eligible buyers to enter the market with a deposit as low as 5%. The scheme is underwritten by Kāinga Ora, giving participating lenders the confidence to approve loans that would otherwise fall outside their standard criteria. To qualify, you must be buying a home to live in and meet Kāinga Ora's eligibility criteria, including income caps of less than \$95,000 for a single buyer without dependants or less than \$150,000 for couples, single buyers with dependants, or multiple buyers. A lender mortgage insurance premium may apply to First Home Loans, so check the current cost with the participating lender.

3

## The Family Springboard

Your family's support can be a powerful launchpad. This allows you to use the equity in a family member's home as security for your loan, which can reduce or even eliminate the need for your own cash deposit. It's a structured and secure way for loved ones to help you achieve your dream.

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## Teaming Up with Friends & Family

The homeownership journey isn't a solo climb. Buying a property with a friend or a sibling is a smart way to combine your savings, increase your borrowing power, and enter the market sooner.

# Unlocking Your KiwiSaver for a First Home

Navigating the rules for using your KiwiSaver savings can feel complex, but understanding the key criteria is essential for leveraging this powerful asset towards your first home. We'll help you understand if you qualify for a KiwiSaver withdrawal and how to make the most of it.



## 3+ Years of Contributing

You must have been a KiwiSaver member for at least three years, making regular contributions during that time.



## First-Time Homeowner

This withdrawal is typically for purchasing your first home. Previous ownership of Māori land does not disqualify you.



## One-Time Opportunity

A KiwiSaver withdrawal for a home purchase is usually a one-time opportunity, so use it wisely.

## Second Chance Withdrawal (Previous Homeowners)

Even if you've owned property before, you might still qualify under specific conditions. This is often referred to as a 'second chance' withdrawal.

### Eligibility for Second Chance

- You no longer own any interest in a property.
- You have not previously made a KiwiSaver withdrawal for a home purchase.

# Getting Your "Golden Ticket"

## Mastering Mortgage Pre-Approval



In a competitive market, a home loan pre-approval is your "golden ticket." It's a conditional commitment from a lender stating the maximum amount they'll lend you. This gives you a clear budget and signals to real estate agents and sellers that you are a serious and financially prepared buyer.

### What Lenders Examine



#### Your Income

Lenders will want to see stable income and may require proof of at least three months in a new permanent role or two years of income history if you're self-employed.



#### Your Spending

They will examine three to six months of bank statements to understand your spending habits and will also check your credit score (aim for 700 or higher).



#### Your Debts

Any credit card or overdraft limits will be considered, so it's a smart move to reduce or cancel these limits before you apply.

# Your Best Defence

## The Power of Due Diligence

Buying a home is one of the biggest investments of your life, and protecting it starts with a thorough approach to due diligence. This goes beyond a casual walk-through—it's a detailed investigation that combines your own observations with professional analysis.



### Your Physical Check

Be your own investigator. Scope out the neighborhood at different times of day, check for noise and traffic, and look for signs of dampness, cracks, or mould inside the home.



### Professional Reports

Two reports are your essential shield against future headaches:

- **Building Report:** A certified inspector will evaluate the property's structure, from the roof and foundation to the exterior cladding
- **Land Information Memorandum (LIM) Report:** Issued by the local council, a LIM reveals vital details on zoning, building consents, and natural hazards

# Making the Offer

## Your Strategic Playbook

Making an offer can be a pivotal moment. The choice between a conditional and an unconditional offer depends on the market and your risk tolerance.

### Conditional Offer

This offer has conditions that must be met before the sale is final (e.g., getting a satisfactory building report or securing your finance). The main benefit is that it protects you; if a condition isn't met, you can walk away.

✔ Lower risk, more protection

### Unconditional Offer

This is a firm commitment with no conditions. It's highly appealing to sellers, especially in a competitive market, because it promises a fast and guaranteed sale. It's also a high-risk strategy, as all your due diligence must be completed before you sign.

✘ Higher risk, more competitive

# Your Solicitor is a Crucial Partner

The legal process is a critical partnership. Your solicitor is not just an administrator; they are your legal advisor, ensuring you fully understand your rights and that the transaction is legally sound.



## Draft and Review

Help draft your offer and advise you on the specific wording of conditions



## Title Investigation

Perform a title search and advise you on any issues like easements or covenants



## Coordination

Coordinate with all parties and handle the paperwork for your KiwiSaver withdrawal and loan documents

## Settlement Day—The Grand Finale

Settlement day is the moment you officially become a homeowner. It's a highly coordinated event that unfolds seamlessly behind the scenes.

### Final Inspection

Ensure the property and all its contents are in the same condition as when you made your offer

1

### Final Transfers

Your solicitor handles all the final transfers, and once funds are cleared and title is in your name, you get the keys

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### Arrange Insurance

You must have comprehensive house insurance in place from the settlement date

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# Your Partnership with Elevate Wealth

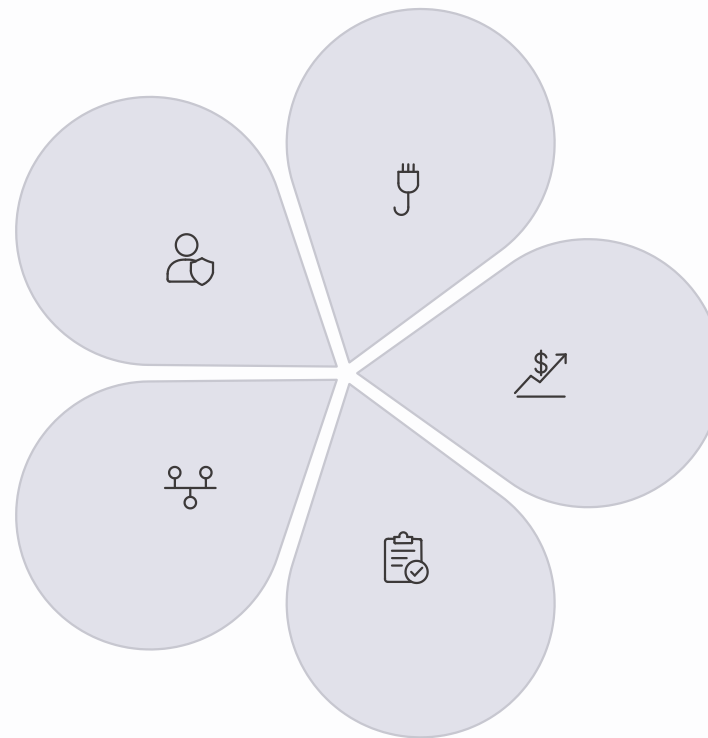
The journey to homeownership is a complex and rewarding undertaking. This guide has provided you with a clear roadmap, from the initial financial preparation to the final steps on settlement day.

## Expert Guidance

Understanding how each step connects to form a cohesive, protective strategy

## Long-term Vision

Turning your home into a powerful and enduring part of your wealth roadmap



## Coordinated Network

Ensuring every moving part is in sync between lenders, legal professionals, and agents

## Borrowing Power

Advising on financial habits that improve your borrowing capacity

## Market Knowledge

Addressing nuances of the property market and regulatory environment

Your home purchase is the beginning of a long-term financial journey. By turning this significant asset into a true source of wealth, our partnership ensures your home becomes a powerful foundation for your financial future.

# Ready to Start Your Journey?

# Get Your Personalized Home Loan Roadmap



Take the first step toward homeownership with a strategy tailored specifically to your financial situation and goals. Our expert team at Elevate Wealth is ready to guide you through every stage of your home-buying journey.

[Get Your Personalised Home Loan Roadmap](#)

## 35+

### Lenders We Work With

To ensure our customers have access to the best possible options tailored to their unique financial situation.

## 20+

### Years Experience

Working with top-tier global financial institutions

## Dedicated

### Personalised Service

We guide you every step of the way, from pre-approval to settlement, ensuring a smooth and transparent journey to your new home.

# Important Disclaimers

**Professional Advice Required:** This content does not constitute financial or legal advice. It is strongly recommended that readers consult with a qualified professional (such as a financial adviser, accountant, or lawyer) before making any financial decisions.

Individual circumstances may vary and affect eligibility for programs mentioned

Elevate Wealth is not liable for any actions taken based on this information

Past performance or examples are not a guarantee of future results

Market conditions and regulations are subject to change