



Your guide to **buying your first home**

Buying for the first time can be a daunting experience. This is where **a mortgage broker can help.**

From start to finish **your mortgage broker can assist** with dealing with agents, making an offer, finding a solicitor, valuations, building reports and many other requirements. This guide will answer your initial questions when considering buying your first property.



Working with a mortgage broker

Benefits of using a broker

The great benefit of a broker, like Capital Concepts, is that we are not tied to any particular bank or lender. This means we can make sure you borrow the best possible amount at the best possible rate for your circumstances.

First steps

The first step to buying your first property is to find out what you can afford and to obtain pre-approved finance with the help of a mortgage broker. You will then know the property price range that you should be looking in and what your mortgage repayments will be.

Next steps

Throughout the buying process, we will assist you with questions on the following:

- Tenders and auctions
- Submitting an offer and what clauses to include
- Valuation, builders reports and Land Information Memorandum (LIM) reports
- When to get a solicitor involved

We will be able to recommend and introduce you to various professionals that you may need along the way. If you already have a solicitor, we will liaise with them along with your estate agent, valuer and building inspector to ensure a smooth and stress free process.

KiwiSaver

Withdrawing for your first home deposit

- You can withdraw from your KiwiSaver account after you have been in the scheme for at least 3 years
- Withdrawal can only be for your first home (or if you are in the same financial position as a first home buyer)
- The home being purchased must be an owner-occupied dwelling
- You can withdraw your contributions and your employer's contributions, plus the government tax credits
- Withdrawal funds will not normally be available until the day

of settlement, but may also be arranged as the deposit on the property being purchased

- You will need to apply to withdraw your KiwiSaver funds through your lawyer

It's a good idea to get a letter from your KiwiSaver provider to give an **indicative withdrawal amount**

Deposit

The 20% deposit

- A 20% deposit is ideal as you will avoid low equity fees and qualify for discounted interest rates
- The deposit can be made up from a combination of savings, gifts, KiwiSaver withdrawal and Housing New Zealand HomeStart Grant

No 20% deposit?

There are a number of ways we can help you buy your first home even if you don't have a 20% deposit:

- Lenders will consider 15% or even 10% deposits for certain customers
- Parents or family members may be able to assist by gifting the deposit. They may be able to 'lend you equity' by using their home as security (in which case no deposit would be required - conditions apply)
- Parents may buy the house as an investment property and rent it to you until equity is built up, allowing you to refinance the mortgage yourselves at 80% borrowing
- Buy the house jointly with someone else

KiwiSaver HomeStart Grant

HomeStart Grant eligibility

- This Housing New Zealand (HNZ) Homestart Grant and KiwiSaver is available to KiwiSaver members buying their first home
- You are eligible for \$1,000 HomeStart Grant for each year that you have been contributing to KiwiSaver (subject to a minimum of 3 years and a maximum of 5 years)
- If you are buying or building a new home the grant is doubled to \$2,000 per year of eligibility
- The HomeStart Grant is only available if you have earned \$85,000 or less in the previous 12 months for a single borrower, or \$130,000 in the previous 12 months for joint borrowers
- To be eligible for the HomeStart Grant, the property being purchased has to be under \$500,000 depending on location

Eligibility example

If you have been contributing to KiwiSaver for 5 years, you could access \$5,000. If your partner or co-borrower is eligible too, you may jointly have access to \$10,000.

If you are buying or building a new home you could access up to \$10,000 as an individual or up to \$20,000 as joint borrowers (if you have both been contributing to KiwiSaver for 5 years).

The Welcome Home Loan Scheme

What is the scheme?

A Government-backed initiative aimed at helping low to middle income New Zealanders into their first home without needing a large deposit.

Scheme eligibility

If your income is under \$85,000 per annum, (or under \$130,000 for joint borrowers) you could be eligible for this scheme under the following conditions:

- You are a first home buyer or are in the position of a first home buyer and you intend to live in the home
- The house you are buying is under \$500,000 (depending on location) or \$550,000 if buying or building a new home
- You are a New Zealand citizen or permanent resident
- You have had stable employment in the same job or industry for at least 12 months
- You have clean credit and good bank account conduct
- Any credit card or personal debt (excluding student loans) is under \$10,000
- You are buying a 'stand-alone' house of least 70m² or an apartment of 70m² which has no more than 20 units in the complex
- You have a 10% deposit (plus low equity fee) which can come from personal savings, from KiwiSaver withdrawal, the HomeStart Grant or be gifted to you

Purchasing your first home is not only a dream or goal, it is also a huge milestone in your life.

Becoming a home owner should be an exciting and memorable experience, so we hope this guide has helped and answered many of your questions.

Please contact us for help the next steps towards home ownership.



Get in touch

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