



# FIRST HOME BUYER HANDBOOK

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HELPING YOU AT EVERY  
STEP OF YOUR JOURNEY

# FIRST HOME BUYER HANDBOOK





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The home buying process can be challenging, but with the right help, you can move through each step with confidence. In this guide, we break down the home buying process into easy-to-understand steps.

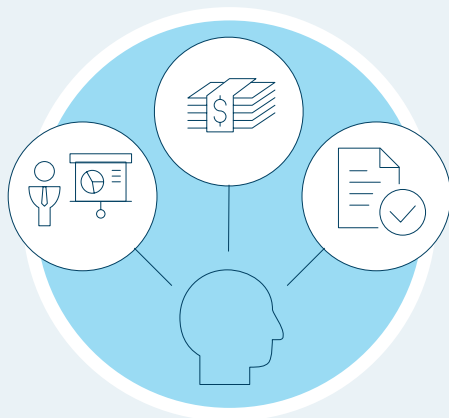


## DON'T GO IT ALONE

First things first, get in touch with an ANZ Home Loan Coach. They'll be in your corner at every stage of the home buying journey, from getting a pre-approval through to getting your keys.

-  Call 0800 269 4663
-  Visit [anz.co.nz/homeloancoach](https://anz.co.nz/homeloancoach)
-  Come into any branch
-  Arrange for an ANZ Mobile Mortgage Manager to visit at a time that suits you at [anz.co.nz/mmm](https://anz.co.nz/mmm)

## THE HOME BUYING PROCESS



### PLANNING KNOW YOUR BUYING POWER

1

- Meet with your ANZ Home Loan Coach
- Understand the cost of buying and owning a home
- Put together your support team
- Work through your deposit options
  - Check your KiwiSaver withdrawal & HomeStart grant eligibility
  - Request your KiwiSaver eligibility letter



**Get your home loan pre-approved**

- Discuss your insurance needs



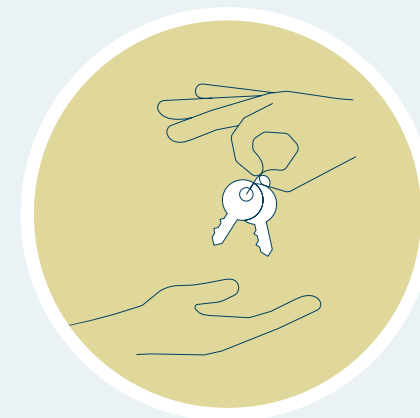
### HOUSE HUNTING FINDING THE ONE

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- Understand what to look for
- Do your homework on potential properties
- Get an ANZ Property Profile Report
- Engage a solicitor
- Complete required inspections & reports
- Understand different types of offers
- Find out how the house will be sold
- Follow the steps in our road maps
  - Finalise your deposit payment
  - Submit your KiwiSaver first home withdrawal application



**Apply for full loan approval**



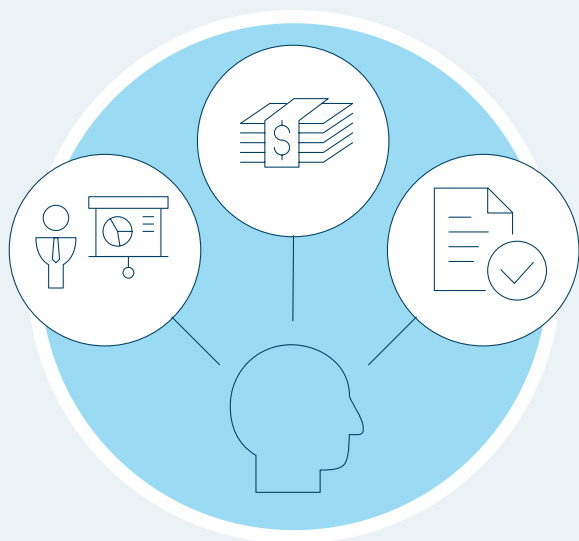
### SETTLING BRINGING IT HOME

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- Confirm your home loan and repayment structure
- Complete pre-settlement tasks
  - Submit your KiwiSaver first home withdrawal and/or HomeStart grant applications
  - Confirm your insurances are in place
  - Carry out your pre-settlement inspection
  - Set up your settlement payment



**Settlement day –  
pick up the keys and move in!**



# PLANNING

## KNOW YOUR BUYING

# POWER

1

The first stage of buying a home involves reviewing your finances to understand what you can afford to spend.



### MEET WITH AN ANZ HOME LOAN COACH

Your coach will take you through your loan options and help with your plan of getting to where you want to be. They'll give you an approximate idea of what you could borrow, work through your deposit options, and what your repayments might look like.

You can also find a range of tools and calculators to help you understand what you may be able to afford at [anz.co.nz/firsthome](http://anz.co.nz/firsthome), including how much you could borrow and how much your repayments may be.



### THE COSTS OF BUYING AND OWNING A HOME

Buying Costs – One off	Owning Costs – Ongoing
<ul style="list-style-type: none"> <li>• Solicitor fees</li> <li>• LIM reports</li> <li>• Property Files</li> <li>• Building inspections</li> <li>• Moving costs</li> <li>• Utility setup and reconnecting services</li> </ul>	<ul style="list-style-type: none"> <li>• Home loan repayments</li> <li>• Council rates</li> <li>• Insurance – Home &amp; Contents</li> <li>• Utilities and maintenance</li> <li>• Body corporate fees (if buying a Unit title)</li> </ul>

Your coach can help you compare these ongoing costs to your current living costs, like rent, to work out the costs of owning a home and help you set your budget. To figure out which loan option

is suitable and how much of your income you should attribute to your mortgage, talk to your coach. For helpful budgeting tools visit [sorted.org.nz](http://sorted.org.nz)

TIP

Your coach can help you assess your insurance needs and tailor a plan to fit your needs and budget.



## PUTTING TOGETHER YOUR SUPPORT TEAM

Aside from your ANZ Home Loan Coach you will need:

- **A solicitor** – There are a number of legal matters associated with purchasing a home, so it's important to involve your solicitor before you make an offer or bid at an auction. If you need to find one check out [propertylawyers.org.nz](http://propertylawyers.org.nz). Legal fees vary, so ask around and get an estimate.
- **Building inspector** – A building inspector can tell you about the condition of a property, which might help you decide whether it's the one for you. You can find a list of building inspectors in your area at [boinz.org.nz](http://boinz.org.nz)
- **Family and friends** – Family and friends can help you throughout your home buying journey, whether that be giving their honest feedback on potential properties, supporting you at an auction or celebrating with you once you've bought your new home.

## DEPOSIT OPTIONS

### What size deposit will you need?

Generally, you'll need a 20% deposit for an ANZ Home Loan, but depending on your situation and the type of home you're buying, there may be exceptions – so talk to your coach today.

You can also work out how much you could borrow by using our home loan calculator at [anz.co.nz/homeloancoach](http://anz.co.nz/homeloancoach)

Getting the deposit together for a new home can be challenging. If your savings are not enough, there are other options available. You may be able to get help from:

- KiwiSaver (if you're eligible);
- Family and friends.

**IN 2018, ANZ HELPED OVER 9,000 KIWIS INTO THEIR FIRST HOME WITH THEIR KIWISAVER SAVINGS.**

**TIP**

**If you're a member of an ANZ KiwiSaver scheme, your coach can help you understand your eligibility and how much you could withdraw for your first home.**

## HOW KIWISAVER CAN HELP

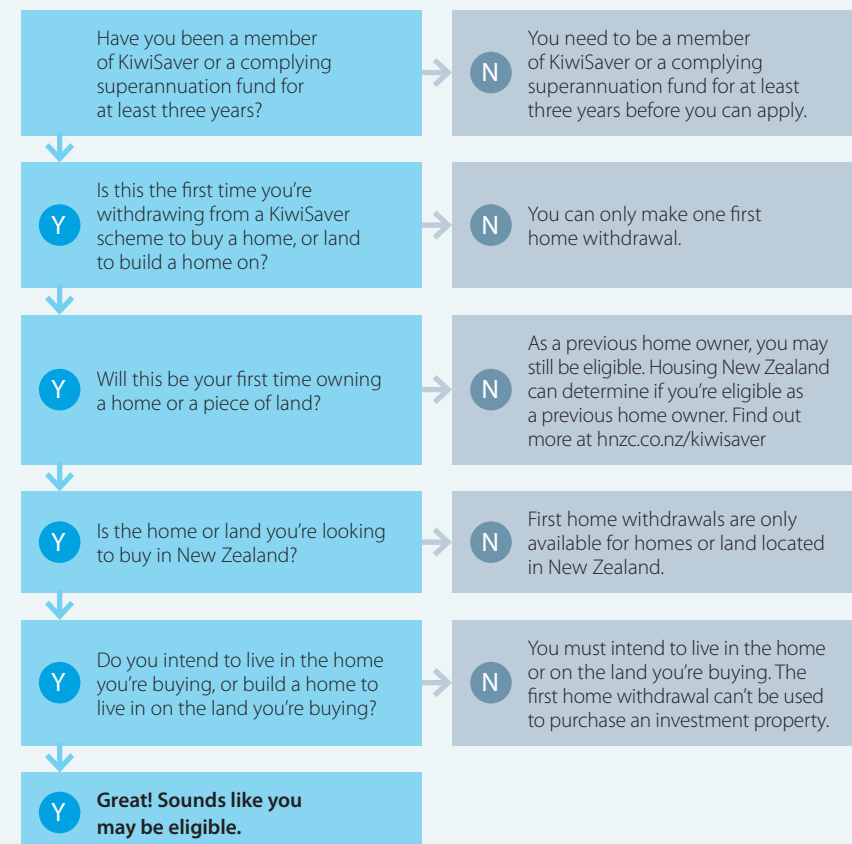
Unlocking your KiwiSaver can help you get into your first home sooner. If you've been a KiwiSaver member for at least three years, you may be able to use your KiwiSaver savings to help you into your first home. There are two ways KiwiSaver can help:

1. Make a first home withdrawal from your KiwiSaver account.
2. Apply for a HomeStart grant from Housing New Zealand.

## FIRST HOME WITHDRAWAL

Your KiwiSaver savings can be used either to buy your first home or buy land to build your first home on (but if you've already bought land you can't use your KiwiSaver savings).

### Are you eligible?





### How much can you withdraw?

If you're eligible, you can apply to withdraw the total amount in your KiwiSaver account, except for \$1,000 and any amount transferred from an Australian complying superannuation scheme.

If you lived overseas since joining KiwiSaver and didn't have permanent residence in New Zealand over that time, you won't be able to withdraw any of the Government contributions received during that period.

### What do you need to do?

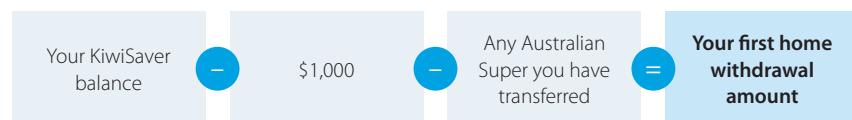
When you apply for your home loan pre-approval, you generally need to provide a KiwiSaver eligibility letter. This letter includes confirmation of your eligibility to make a first home withdrawal, as well as your estimated withdrawal amount.

Your KiwiSaver scheme provider can give you an eligibility letter and a first home withdrawal application form. If your KiwiSaver account is with ANZ Investments, you can request these at [anz.co.nz/fhwrequest](http://anz.co.nz/fhwrequest) or call 0800 736 034.

Once you've found the home or land you want to buy, it's important to apply for your first home withdrawal early to ensure your savings are available when needed. If you're eligible, you can choose to put your KiwiSaver savings towards the deposit you pay to the vendor (seller) while your Sale and Purchase Agreement is still conditional (generally 10% of the purchase price). Or alternatively, once your offer goes unconditional, you can put your KiwiSaver savings towards the purchase price at settlement.

You'll need to:

- Talk to your New Zealand solicitor – they can help you through the process
- Take the application form to your solicitor so they can help you complete it and gather all the required documents
- Check the processing time for KiwiSaver first home withdrawals with your KiwiSaver scheme provider – if this is ANZ Investments, submit your application at least 15 business days (10 business days if you haven't lived overseas) before payment is due.



#### TIP

**If you're looking at withdrawing your KiwiSaver savings, it's a good time to review your fund choice. If your KiwiSaver account is with ANZ Investments you can use our risk profile tool to see if you're in the right fund at [anz.co.nz/riskprofiletool](http://anz.co.nz/riskprofiletool)**

### KIWISAVER HOMESTART GRANT

Housing New Zealand offers HomeStart grants for eligible KiwiSaver members to help them buy their first home.

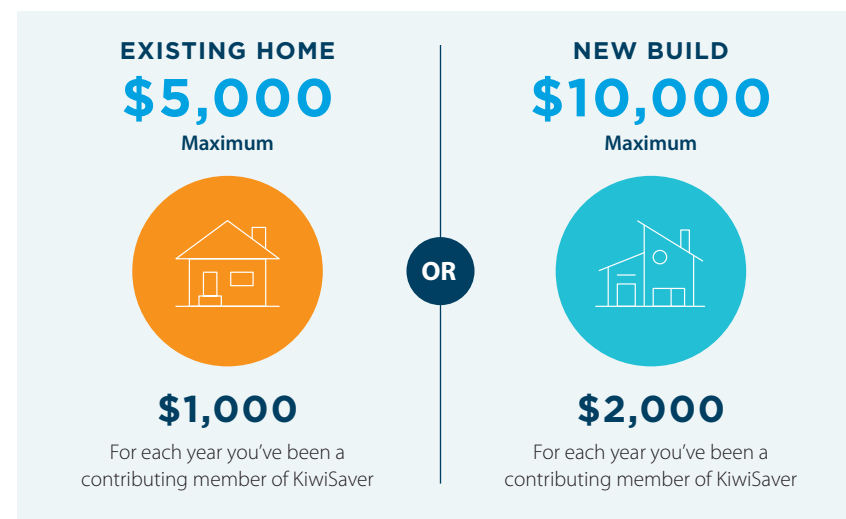
To find out if you meet Housing New Zealand's eligibility criteria, visit [kiwisaver-homestart.co.nz](http://kiwisaver-homestart.co.nz)

### How much can you get?

The amount of the HomeStart grant depends on whether the house you're buying is existing or newly built.

The Government pays this directly to your solicitor on settlement day – it doesn't come out of your KiwiSaver account. For details on how to apply, visit [kiwisaver-homestart.co.nz](http://kiwisaver-homestart.co.nz)

Please allow plenty of time for Housing New Zealand to process your application.



### Applying for a HomeStart grant

If you apply for a HomeStart grant, you'll need to provide Housing New Zealand with proof of your regular contributions to your KiwiSaver account. You can get your transaction history from ANZ Internet Banking or from our KiwiSaver portal. To register for access, visit [anz.co.nz/keeptrack](http://anz.co.nz/keeptrack)

## GETTING HELP FROM FAMILY

There are three ways your family members may be able to help you get into your first home – gifting, loans and guarantees.

### Gifting

This is when a family member gives you some of the money for your deposit. If someone is giving you money for your deposit, we'll need confirmation that you won't need to repay that money. Both you and the family member(s) concerned should get independent legal advice before taking up this option.

### Loan from family

With this option, we will require a Deed of Acknowledgment confirming that the loan will not have to be repaid until the property is sold. Your family member should talk to their solicitor about getting this sorted.

### Guarantees

In some cases, we may be able to take a mortgage over a home owned by someone else, for example your parents, as extra security for your loan. Where this happens, we'll need a guarantee from the owners of that home. Under a guarantee, someone agrees that they will be responsible for some or your entire loan if you're not able to pay it for any reason.

There are a number of conditions that both you and the family member(s) providing the guarantee will need to meet, and you'll both need to get legal advice before taking up this option.



## GET YOUR HOME LOAN PRE-APPROVED

A pre-approved home loan allows you to house hunt with confidence, giving you an idea of your potential buying power and your approximate price range. You'll also need a pre-approval to enter KiwiBuild ballots.

It gives you an indication of what we're willing to lend you, subject to certain conditions.

There are a number of things your coach will need to assess when considering a pre-approval:

1. Validate your identity; and
2. Assess your financial position, income, living expenses and eligibility for a KiwiSaver first home withdrawal.

We will need proof of address, a valid photo ID and proof of regular income. These can be provided through utility bills, a passport or New Zealand driver's license, pay slips or three months' bank statements.

A pre-approval makes up two of the three parts of a full loan application; your identity and your financial position – so it gets you off to a great start. All that remains is to find the right property – and that's what the next section is all about.

### Who you are



To start the pre-approval process, simply contact your ANZ Home Loan Coach or start the application process online at [anz.co.nz/homeloancoach](https://anz.co.nz/homeloancoach)

### TIP

Your pre-approval is valid for up to three months. If you're house hunting for longer, contact your coach who can reassess your financial position.



## ASSESSING YOUR INSURANCE NEEDS

Your home may be the most valuable asset you'll own, so you need to protect it.

It's a good idea to think about this early, because once you've found a home you'll need to insure it before you get the keys. Owning a home is a new chapter in your life, so you may also want to consider protecting you and your family's lifestyle – now and in the future.

### Protecting your new home

House insurance protects you if your house gets damaged or affected by things like a fire, flooding or natural disaster. You **must** have adequate house insurance in place before settlement day. Your coach can help you understand what you need to do and potential insurance costs for the house type and location you're looking for.

### Protecting your valuable possessions

Contents insurance covers the things you own (other than your house), such as furniture, clothes, appliances, etc. If you don't already have contents insurance, it's a good idea to get this in place so you have peace of mind should something happen to your belongings. Your coach can help you understand the options.

### Protecting your lifestyle

What would happen if you suffered from an accident or illness that prevented you from working, were made redundant or died? Life and living insurance can help ensure that you and your family are protected. Your coach can help you put together the right combination of insurance options for your situation – and your budget. For example:

- **Living Expense Cover** provides help with your living expenses if you can't work due to accident or illness
- **Critical Illness Cover** helps provide financial security for you and your family if you're diagnosed with one of 12 serious conditions, including cancer, stroke or a major heart attack
- **Life Cover** helps ensure your family will be looked after financially if the worst should happen to you
- **Redundancy Cover** helps ensure you can keep paying the mortgage and other bills if you're made redundant.

TIP

Talk to your home loan coach or visit [anz.co.nz/personal/insurance](https://anz.co.nz/personal/insurance) to find out more.



# HOUSE HUNTING

## FINDING THE ONE

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Once you've got your deposit and pre-approval sorted, you can start thinking about what kind of home you're looking for.





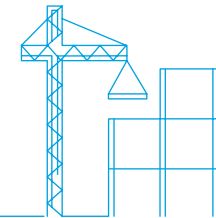
## UNDERSTAND WHAT TO LOOK FOR

Finding the right home can take up a lot of time and energy, so it's a good idea to write down what's important to you before you start. This may include:

- Location
- Size
- Type of home



## THE RIGHT PROPERTY FOR YOU



### Existing Houses

Existing houses are generally less complicated in terms of the purchase process and your loan.

Before you commit to buying a house you may wish to consider:

- Carrying out building inspections
- Having a solicitor review the Sale and Purchase Agreement.

### Apartments and Terraced Houses

When you buy an apartment or a townhouse you may become a shared owner of any common areas of the property (i.e. a member of the body corporate).

In addition to inspections and contract reviews, you may wish to ensure you understand the financial position of the body corporate and your responsibilities as a member.

### Construction (House and Land Packages)

Building your own home usually requires two loans: one for the land itself and one for construction of the property. When you're planning this type of property, you may wish to consider:

- Any council restrictions on building size and style
- Any easements on the site or issues with access or service connections
- Any covenants added by the previous owner or developer
- You must obtain a Code Compliance Certificate on completion
- Note, if you're planning on using your KiwiSaver savings, your first home withdrawal can only be put towards the land purchase, not other things such as building materials or contractors.

### Off the Plan (Turnkey)

Purchasing a property before it's been built can make it hard to know what the value of your finished home will be.

To understand the risks with this type of property you may wish to:

- Inspect display sites
- Check floor plans, room measurements and the actual fittings that will be used
- Have a solicitor review the Sale and Purchase Agreement
- Consider that during construction your pre-approval may expire and lending criteria may change
- You must obtain a Code Compliance Certificate on completion.

## TYPE OF LAND OWNERSHIP

There are a number of land ownership types in New Zealand. The more commonly known types are: Freehold, Leasehold, Cross lease and Unit titles. It's important to talk to your solicitor and get their advice about these different

types and what it will mean for you while you search for your first home and before making an offer.

See [settled.govt.nz](https://settled.govt.nz) for more details about the types of land ownership.

## DOING YOUR HOMEWORK ON POTENTIAL PROPERTIES

Buying a home is a big commitment, so it pays to research potential properties before you jump in and make an offer.

Start by rating it against the things that you identified as important in a home. For example:

- Does it get good sunlight (it pays to visit at different times of the day)?
- What is the neighbourhood like (including neighbouring houses)?
- Is it close to facilities like shops or transport?
- Does it have insulation? How is it heated?
- What is the general condition of the building, roof, and outside areas? Are there any potential issues that may need to be addressed?
- What is the likely market value? Are the owner's expectations realistic?

For more details about researching a property, visit [settled.govt.nz](https://settled.govt.nz)

### TIP

**Before you make an offer on a property, it's important to factor in the cost of home insurance. Certain regions may not only have higher premiums, but there may be some restrictions on obtaining insurance. Your coach can help you with this.**



## GET AN ANZ PROPERTY PROFILE REPORT AND KNOW A HOME'S POTENTIAL WORTH

An ANZ Property Profile Report gives you an estimate of a property's potential market value, plus recent comparable property sales in the area – helping you decide how much you're willing to pay for a particular home. The report, produced by CoreLogic, is worth \$49.95 and is free to ANZ customers so talk to your ANZ Home Loan Coach today.



## ENGAGE A SOLICITOR

Once you've found a potential property, here's an overview of how your solicitor can help.

### Purchasing by auction

Talk to your solicitor before making a bid at auction. They will advise you of all the due diligence you need to complete before the auction day.

### Purchasing by offer and negotiation or tender

Your solicitor will review the Title information, LIM report and advise you if you need to consider adding any conditions to your offer. Typical conditions include: subject to confirming finance (obtaining full loan approval – more on page 24), obtaining a LIM report and being satisfied with the results of a builder's inspection.

### KiwiSaver first home withdrawal

If you're using your KiwiSaver savings, you'll give your first home withdrawal forms to your solicitor, who will finalise them and send them to your KiwiSaver scheme provider. Once your withdrawal has been approved, your provider will send your withdrawal amount to your solicitor's bank account.

### Building a new home and House & Land (Turnkey) packages

These types of contracts can be more complex, so it's important to involve your solicitor from early on. Always have your solicitor review any contracts before signing them.

### Finalising the sale

If you are successful for any purchase method your solicitor will be responsible for transferring the property to you (conveyancing) and completing the transactions necessary for settlement (you will be able to pick up the keys following settlement).

### TIP

**If you don't already have a will, talk to your solicitor about putting one in place.**

## COMPLETE REQUIRED INSPECTIONS & REPORTS

There are a range of inspections and reports available for a fee to help you research a property you're interested in.

### Building inspections

A registered building inspector will inspect the house and check whether it is structurally sound, the condition of the wiring and if there are any water tightness issues. The cost of a builder's inspection depends on the level of detail you require and generally start at around \$350\*.

### Check the LIM report (Land Information Memorandum)

A LIM is a report issued by the local city or district council which provides a summary of all the information the council has on file in regards to roads, flooding or any contamination of the land, rates and resource planning consents. LIM reports are available through your local council. You can request it yourself or your solicitor can

request a copy. Depending on the type of sale, the agent may provide you with a copy of the LIM report and the Record of Title (particularly if you're buying at auction). Check with your solicitor regarding the date and contents. The cost of a LIM report can vary from around \$200-\$395\* and tend to be more expensive in larger cities.

### Consider ordering a property file

A property file provides any correspondence with the council regarding the property and helpful plans. A property file does not replace a LIM report and your solicitor will advise you whether one is required.

Property file costs range from \$10 to \$60\* depending on the council.

## UNDERSTANDING TYPES OF OFFERS

There are two options when making an offer on a property; conditional and unconditional. You should always have your solicitor check any Sale and Purchase Agreements before you make an offer.

### CONDITIONAL OFFER

A conditional offer is one where you can specify conditions that must be met before you agree for the Sale and Purchase Agreement to be declared unconditional. Conditions could include making your offer subject to obtaining a satisfactory building inspector's report, confirming finance (obtaining full loan approval – more on page 24) or obtaining a LIM report. Conditions always have a timeframe attached and must be completed by the specified date.

### UNCONDITIONAL OFFER

An unconditional offer is one where there are no conditions attached to your offer. You should carry out all due diligence (e.g. LIM reports, inspections, confirming finance) and ensure your solicitor has reviewed the Sale and Purchase Agreement prior to making an unconditional offer, as you will be legally bound to complete the purchase if your offer is accepted.

## FIND OUT HOW THE HOUSE WILL BE SOLD

There are four main ways to buy a house in New Zealand; offer and negotiation, tender, auction and buying a home with KiwiBuild. Each sale method has pros and cons. Check out our road maps on the following pages for more information and the steps you need to take for each type of purchase.

Remember that making an offer may lead to a legally binding contract if your offer is accepted. Buying a house is an exciting time, but it's important that your solicitor checks your Sale and Purchase Agreement before you sign it.

TIP

The cost of inspections and reports can start to add up. So be sure it's a property you are really interested in before requesting these.

TIP

### Experience the home buying process

You can register for a free ANZ Property Unlocked Seminar to get first-hand insights from experts including solicitors, real estate agents and ANZ Home Loan Coaches. To find a seminar near you, visit [anz.co.nz/propertyunlocked](https://anz.co.nz/propertyunlocked)

\*Please note that costs quoted are estimates only and can vary depending on region and are subject to change.

## AUCTION

An auction is where you bid against other people until only one bidder is successful. All interested buyers turn up on auction day and bid. The vendor (seller) will have a reserve price, and once this price is reached, the property is on the market and will be sold to the highest bidder. If it doesn't reach the reserve price, the vendor may choose to

negotiate with the highest unsuccessful bidder. If you buy a home at auction, the sale is unconditional – so you need to obtain legal advice and do your due diligence (i.e. inspections, valuations) before you bid, have finance approved ahead of the auction and be ready with your deposit on the day (generally 10% of the purchase price).



## OFFER AND NEGOTIATION

If you want to make an offer, the real estate agent or your solicitor will help you fill in a Sale and Purchase Agreement, which contains your offer and any conditions. The vendor (seller) can accept your offer, reject it or make a counter-offer. The real estate agent will act as the go-between until both you and the vendor reach an agreement.

## TENDER

Anyone who is interested in the property submits a written offer (tender) by a certain date. Typically, all the tenders are opened at once and the vendor decides which (if any) they will accept. They may also choose to negotiate with any of the tenderers, however you might not always get this chance so consider this when making your offer.





## BUYING A HOME WITH KIWIBUILD

KiwiBuild is a government-led programme to assist first home buyers who have been locked out of the housing market with an opportunity to buy their first home.

Available KiwiBuild homes are sold by direct sale or ballot to individuals that meet eligibility criteria.

Visit [kiwibuild.govt.nz](https://kiwibuild.govt.nz) for more information and to register.



**TIP**

Your ANZ home loan pre-approval is valid for up to 90 days.

**TIP**

If you're paying by bank transfer, make sure your bank transfer limit is high enough by checking with your coach or calling 0800 269 296.

\* If you haven't lived overseas since you joined KiwiSaver, your processing time will be 5-10 business days.

## APPLY FOR FULL LOAN APPROVAL

If you have found the home you are looking for and you're ready to make an offer, or if you've been successful in a KiwiBuild ballot, contact your coach to proceed to full loan approval. Your coach will help you through the approval process and provide you with a letter of offer if your application is approved. This confirms the amount we commit to lending you and is key to the sale going ahead.

Having already validated your identity and financial position for your pre-approval, as well as understanding your objectives and requirements, the property is the final component of your loan application.

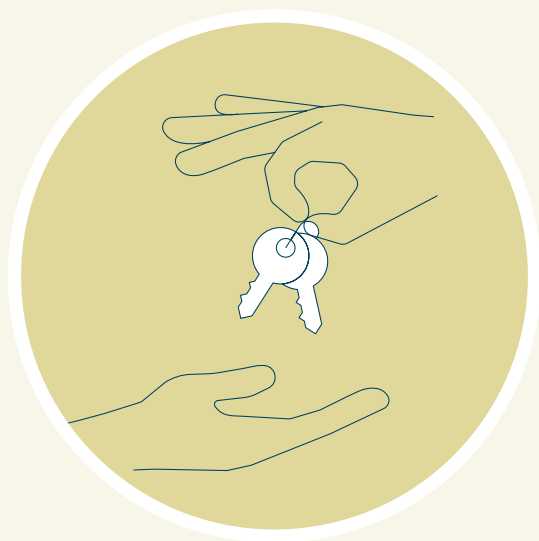
Once we receive your Sale and Purchase Agreement we may need a valuation of your property. This is usually the final step for moving to a full loan approval, after which if everything is satisfied, we send you a letter of offer.



**TIP**

**After getting legal advice make sure you sign and return all the contract papers promptly. Feel free to run any questions past your coach.**





# SETTLING BRINGING IT HOME

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The last stage of buying a house is about confirming your home loan arrangements, confirming your new home is insured, finalising the paperwork and other tasks required to get you across the line on time.



## CHOOSING THE RIGHT HOME LOAN FOR YOU

Talk to your ANZ Home Loan Coach so they can help you understand the different types of loans and interest rates, and determine the loan that meets your needs.

What I want	My best option	Reasons why
<b>More certainty around repayments and interest rates</b> Are you the type of person who would lose sleep if interest rates went up, even just a little?	<b>Fixed ANZ Home Loan</b> With a fixed ANZ Home Loan your interest rate stays the same for your fixed-rate period.	<ul style="list-style-type: none"> <li>You can budget with confidence.</li> <li>You are protected from interest rate rises during the fixed-rate period.</li> <li>You can make a lump sum payment or increase your repayments by up to 5% p.a. of the outstanding loan balance each year of your fixed-rate period without incurring an Early Repayment Recovery.</li> </ul>
<b>The ability to make additional repayments</b> If you received a little or a lot of cash either expectedly (for example, a work bonus) or unexpectedly (inheritance) would you pay off more of your home loan?	<b>Floating ANZ Home Loan</b> With a floating ANZ Home Loan, your interest rate can go up or down in line with changes in the market.	<ul style="list-style-type: none"> <li>You can make extra repayments on your home loan any time you like – without incurring any fees – which could help you repay your loan faster.</li> </ul>
<b>Reduce my loan balance and save on interest when I can</b> Do you receive irregular income from a business, self-employment or commission or are you good at managing your money?	<b>ANZ Flexible Home Loan</b> An ANZ flexible Home Loan is a revolving credit facility on your everyday account – one where you put all your salary into your account. You need to be disciplined with your finances to get the best out of this option.	<ul style="list-style-type: none"> <li>You have access to credit for any purpose at a competitive flexible home loan interest rate.</li> <li>You can use any extra money to reduce your home loan balance and save on interest costs.</li> </ul>



**You may be able to mix and match with different combinations of home loans to suit your needs. Your coach can help you explore the options.**

## CONFIRM YOUR REPAYMENT STRUCTURE

### PRINCIPAL + INTEREST LOAN

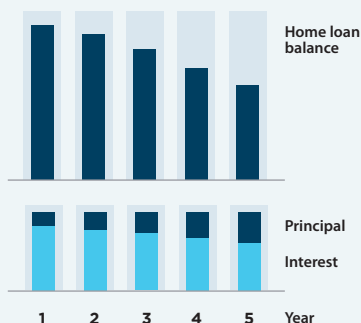
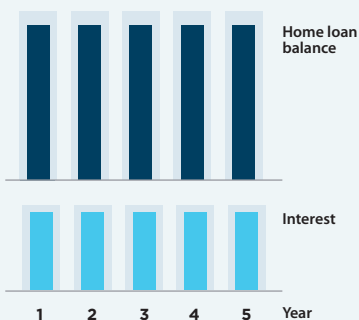


Table repayments are the most common option. Your repayments stay the same over the life of the loan (assuming your interest rate stays the same).

Here's how they work:

You generally pay more interest at the start, so initially you're not building up much equity (the amount you own) in your home. However the balance changes over time and later on you repay more principal than interest, and your equity builds up faster.

### INTEREST-ONLY LOAN



Interest only repayments are exactly as the name suggests – you only pay the interest with each repayment, not paying off the original loan itself. At the end of this interest-only period, you'll revert to a principal and interest loan and your repayments will be higher. Choosing an interest-only loan can increase the total interest you will pay over the life of the loan.

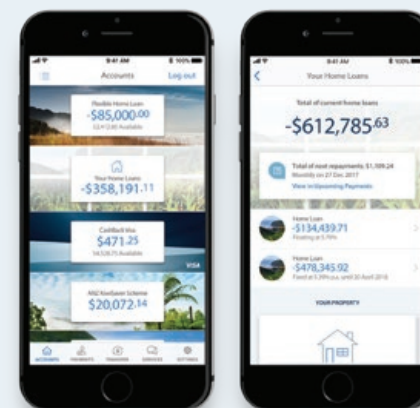
If repayments are made outside of the agreed structure, this may involve certain fees and charges.

**TALK TO YOUR ANZ HOME LOAN COACH ABOUT WAYS YOU CAN PAY DOWN YOUR MORTGAGE.**

## EASY WAYS TO MANAGE YOUR MORTGAGE

### Managing your repayments

Once your home loan account is set up with ANZ, you need to make sure the money is there for each loan repayment.



### ANZ goMONEY AND INTERNET BANKING

The ANZ goMoney app and Internet Banking are easy ways to manage your ANZ accounts – for example, you can set up automatic payments to your home loan servicing account. You can also check your balance, make payments, transfer funds, pay bills and much more 24 hours a day, seven days a week.

TIP

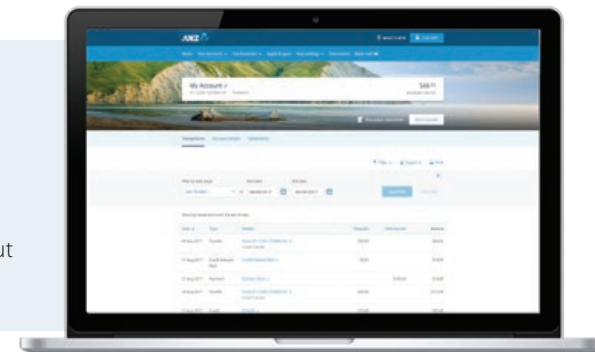
**You can view the total balance of your home loans in ANZ goMoney and Internet Banking.**

### Reducing interest costs

If you have some extra cash at any time, you can save on interest and pay off your home loan earlier.

### MAKING A LUMP SUM PAYMENT

Talk to your coach about managing your repayments and your ability to make lump sum payments without incurring fees or costs.





## COMPLETE PRE-SETTLEMENT TASKS

While your solicitor handles the settlement of your loan, there are a couple of things you need to think about ahead of settlement day.

### INSURANCE

You will need to arrange house insurance prior to your settlement day. As we are providing a mortgage for the home, ANZ must be recorded on the policy as the interested party and you will need to provide proof of insurance to your solicitor prior to settlement. If you haven't already, it's also a good time to talk to us about other insurance options to ensure you and your family are protected – for example, ensuring that if you can't work through injury or illness, your mortgage will still be paid.

### KIWISAVER & HOMESTART GRANT

Submit your KiwiSaver first home withdrawal and apply for your HomeStart grant.

If your KiwiSaver account is with ANZ Investments we require all the required documents at least 15 business days before payment is due. If you haven't lived

overseas since you joined KiwiSaver, your processing time will be 5-10 business days.

### FINAL INSPECTIONS

Before settlement make sure you carry out a final inspection of the property, which can be arranged through the real estate agent. You may want to ensure any inclusions in the Sale and Purchase Agreement remain and there has been no damage to the property since the Sale and Purchase Agreement was signed by you and the vendor. Inform your solicitor of the outcome of the inspection.

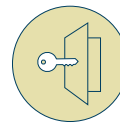
For more on what to look for in your final inspection, visit [settled.govt.nz](https://settled.govt.nz)

### REMAINING FUNDS

Ensure you have transferred any remaining funds as per your solicitor's instructions prior to settlement if required. If you are sending by bank transfer, call 0800 269 296 to check your transfer limit.

TIP

Check in with your coach to ensure you have completed all your pre-settlement conditions and everything is on track for settlement.



## SETTLEMENT DAY

Settlement day is a big milestone. It's when the purchase price (less any deposit paid) is paid to the vendor (seller) and the title transfers to you. It's probably one of the most exciting parts of the process.

On settlement day, most of the work is completed behind the scenes by your solicitor. Here's an overview of what will happen, including if you've used your KiwiSaver savings for settlement:

- Your KiwiSaver first home withdrawal, and if applicable, your HomeStart grant from Housing New Zealand, is paid directly to your solicitor on or before the settlement day.
- Your solicitor will notify the bank of the amount required to settle the purchase and will arrange for your loan to be drawn down and the money transferred to the vendor.

- Your solicitor will also check that the rates have been paid by the vendor and are up-to-date.
- Once they receive confirmation that the vendor has received the money, your solicitor will register the property in your name and arrange for you to receive the keys.

Once settlement has taken place, your solicitor or real estate agent will notify you, and you can then get the keys.

**Congratulations, welcome to your new home!**

## SETTLING ON YOUR NEW HOME – PICK UP THE KEYS AND MOVE IN!

TIP

It's important to ensure your funds have cleared by the agreed time on settlement day to avoid possible penalties.





## WE'RE HERE FOR THE LONG TERM

As you put your feet up and settle in to your new home, let us know how you're going. The journey doesn't end at settlement, and your ANZ Home Loan Coach may be able to tailor your loan to meet your changing needs or talk you through ways to pay down your loan faster.

When the day comes that you want to renovate, buy a bigger house, invest in another property or restructure your home loan, your coach will be there, ready to help you reach that next milestone.

## HELPFUL CONTACTS

Buying a home is the biggest purchase you will ever make, so here are some useful sites to help you on your home buying journey.



### **Buying and selling** **settled.govt.nz**

You'll find comprehensive, independent information here to guide Kiwis through all aspects of home buying and selling. Brought to you by the Real Estate Authority, the government agency that regulates the New Zealand real estate industry.



### **Find your local council** **lgnz.co.nz**

You'll find contact details for all local councils listed here – you'll need to get hold of yours if you're after a LIM report from them.



### **Find a building inspector** **boinz.org.nz**

Search for a building inspector in your area.



### **Get your plans sorted** **sorted.org.nz**

You'll find free and independent tools and resources to help get your finances Sorted.



### **General information** **cab.org.nz**

On the Citizens Advice Bureau website you may find answers for any general housing and land enquiries, like how body corporates work, or whether you're eligible for Energywise funding to help with insulation.



### **Housing New Zealand** **kiwisaver-homestart.co.nz**

You'll find details on how to apply for the HomeStart grant and eligibility criteria.



### **Find a solicitor** **propertylawyers.org.nz**

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



### **KiwiBuild** **kiwibuild.govt.nz**

Is a government programme working to provide 100,000 homes for first home buyers by 2028.

## HOME BUYING JOURNEY – CHECKLIST

### 1. Planning – know your buying power

- ☐ Meet with your ANZ Home Loan Coach
- ☐ Outline your budget
- ☐ Work through your deposit options
- ☐ Check your KiwiSaver withdrawal & HomeStart grant eligibility
- ☐ Request your KiwiSaver eligibility letter
- ☐ Assess your insurance needs
- ☐ Get your home loan pre-approved

### 2. House hunting

#### Understand what to look for

- ☐ Location, size, type of home
- ☐ Understand the types of land ownership
- ☐ Do your homework on potential properties
- ☐ Get an ANZ Property Profile Report
- ☐ Engage a solicitor
- ☐ Complete required inspections and reports
  - Building inspection
  - Check the LIM report
  - Consider ordering a property file

- ☐ Understand the types of offers

#### Find out how the house will be sold

- ☐ Understand the pros and cons of each method
- ☐ Send your Sale and Purchase Agreement to your coach and solicitor
- ☐ Apply for full loan approval
- ☐ Make an offer or bid at auction
  - By offer and negotiation or tender: agree on your price and conditions

- Bidding at auction: remember if you bid at auction, your offer is unconditional, so you need to complete all your due diligence prior to the auction

- ☐ Meet your conditions if your offer is accepted
  - Fulfil your conditions by completing a builder's inspection, valuation or obtain the LIM report (depending on your conditions)
- ☐ Contact your coach to complete the home loan process
- ☐ Contact your solicitor so they can start preparing the documents
- ☐ Using your KiwiSaver savings?
  - Work with your solicitor to submit your KiwiSaver first home withdrawal application along with all required documents
  - Send the required documents to your KiwiSaver scheme provider at least 15 business days before payment is due\*
- ☐ Apply for your HomeStart grant, if applicable

### 3. Settling – bringing it home

- ☐ Confirm your home loan and repayment structure
- ☐ Complete pre-settlement tasks
  - Complete your pre-settlement inspection
  - Confirm your insurances are in place
  - Pay the remainder of the purchase price to the required account
- ☐ Settlement day – pick up the keys and move in!



## GLOSSARY

### Auction

The vendor sets a reserve price, and once this price is reached, the property will be sold to the highest bidder. Sales at auction are unconditional – its important to obtain legal advice, get full loan approval and do your due diligence before bidding.

### Body Corporate

A group made up of owners in a block of flats or apartments, who maintain and repair the building and its shared spaces.

### Certificate of Title

A document containing the legal description of a property, who owns it and who may have registered a mortgage against the title.

### Chattels

Items included in the sale of the property and listed in the Sale and Purchase Agreement. Chattels can include items such as curtains, carpets and light fittings.

### Code of Compliance Certificate

A formal statement issued under the Building Act 2004, that the building work carried out under a building consent complies with that building consent and the New Zealand Building code.

### Conditional offer

An offer where you specify conditions that must be met by a certain date before the Sale and Purchase Agreement is declared unconditional. Common conditions include obtaining a satisfactory building inspector's report, confirming finance or obtaining a LIM report.

### Conveyancing

Term used to describe the legal work required for completion of a property transaction – usually a sale or a purchase.

### Full loan approval

Full loan approval means we've confirmed the amount we can lend you on the specific property you intend to buy.

If you want to bid at an auction, or you want to make an offer with no finance clause, you'll need to get full loan approval first.

Note, a pre-approved home loan is not full loan approval as you still need our approval for the specific property.

### Land Information Memorandum (LIM) report

Issued by the local council and provides a summary of information they have on file about roads, flooding or any contamination of the land, rates and resource planning consents.

### Offer and negotiation

You make an offer in writing and then negotiate with the vendor until you agree on a price and conditions. Your real estate agent or your solicitor will help you fill in a Sale and Purchase Agreement containing your offer and any conditions. The vendor can accept your offer, reject it or make a counter-offer. The real estate agent will act as the go-between until both you and the vendor reach an agreement.

### Pre-approved home loan

Gives you an indication of what we will lend to you, subject to certain conditions, so you can go house-hunting with confidence. A pre-approved home loan is not a loan that has been fully approved – you will still need to get full loan approval by satisfying any conditions that need to be met.

### Private sales

Private sales usually follow the same process as offer and negotiation – but the negotiations are made directly with the vendor instead of through a real estate agent, and you'll pay the deposit to your solicitor. With this type of sale you're more likely to require a property valuation report before finance can be approved.

It's important that you consult your lawyer before signing or committing to anything in a private sale.

### Loan to Value Ratio (LVR)

The amount you wish to borrow as a percentage of the property's market value. LVR is calculated by dividing the amount of the loan by the value of the property. For example, if you have a deposit of \$100,000 and the property is worth \$500,000 the means you need to borrow \$400,000 the LVR will be 80% (\$400,000/\$500,000=80%).

### Low Equity Premium (LEP)

A fee that is charged when you borrow more than 80% of the value of the property that's available as security for any loans you have with us. This is charged as a percentage of your loan amount on a graduated scale – the more you're borrowing against the value of the property, the higher the fee could be.

### Mortgage

Sometimes used to describe a home loan. However, this is a legal document that is the security a borrower gives a lender which is registered against the title to the property being purchased. The property cannot be sold without the home loan being repaid and the mortgage removed from the title (discharge of mortgage).

### Mortgagee

The lender who gives the loan to the borrower and receives the security (mortgage) in the property from the borrower.

### Principal

The amount you borrow, which is used to calculate your final loan amount (i.e. including the interest you will need to pay).

### Sale and Purchase Agreement

This is the written contract for sale and purchase of the property between the vendor (seller) and the purchaser (buyer) – usually handled by a real estate agent and a solicitor. The Agreement sets out the amount the property will be sold for, any conditions that must be satisfied before the sale is unconditional and settlement date.

### Settlement day

The date the purchaser's lawyer pays the vendor's lawyer the purchase price and the vendor's lawyer transfers legal title to the property to the purchaser. The purchaser can get the keys on this date.

### Sale by Tender

This is the process where prospective buyers submit a written offer (tender) by a certain date. The tenders are opened after that date and the vendor decides which (if any) they will accept. They may or may not choose to negotiate with any of the tenderers.

### Unconditional offer

An offer with no conditions attached.

You should carry out all due diligence (e.g. LIM reports, inspections, confirming full loan approval) and ensure your solicitor has reviewed the Sale and Purchase Agreement prior to making an unconditional offer, as you will be legally bound to complete the purchase if your offer is accepted. Your home loan coach will be able to assist you with confirming full loan approval.

### Vendor

This is the person selling the property.



## This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



[anz.co.nz/propertyunlocked](http://anz.co.nz/propertyunlocked)

An ANZ Home Loan Coach will help you to apply for a home loan. You're in control, because how you apply is up to you:



ANZ insurance policies are underwritten by related and third party insurers. No member of ANZ or its related companies or any other person guarantees these insurers or any of the products issued by them. ANZ may receive a commission on any policy it arranges. For full details of cover, including limits, conditions and exclusions, see the relevant policy document – which can be requested from your coach, available at [anz.co.nz](http://anz.co.nz) or by calling 0800 269 855. This brochure is current as at June 2019 and the details in it are subject to change.

