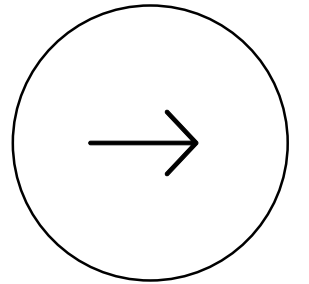


01

First Home Buyer's Guide

Home ownership
made **easy**.

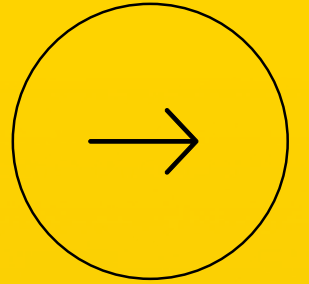




**Your hard-earned money
paying someone else's mortgage
isn't going to start your journey to
financial freedom.**

We created this guide as part of our commitment to making property easy and accessible. This guide is designed to help demystify and simplify all the noise around buying your first home, giving you a free and simple step-by-step guide you can follow from dream to home ownership.

One step at
a time.



STEP 1

Get your finances in order.

Understanding your budget will give you the confidence to start looking for homes that you can afford and also provides valuable insight into tweaks that can make a big difference in your buying power.



Classic Property has options with deposits as low as 10% meaning you may only need as little as \$83,000 for an \$830,000 property.

You may feel intimidated by the thought of having to save a 20% deposit and while that is usually the 'magic number' there are many ways to approach property ownership.

New builds are currently exempt from Loan to Value Ratio (LVR) restrictions but finding the deposit for your first home can be a struggle, with most lenders currently requiring a minimum 20% deposit.

With a First Home Loan you only need a 5% deposit which means getting into your first home is that much easier. First Home Loans are issued by selected banks and other lenders and underwritten by Kāiāngia Ora. This allows the lender to provide loans that would otherwise sit outside their lending standards.





Alternative way to get a deposit - Gift or loan from family, guarantor of parents.

Like many Kiwis, you may have been building up your **KiwiSaver** balance and will use it towards your first house deposit.

This is a great way to get on the property ladder and as long as you have been a contributing member for at least three years, the process to access this is simple. You will be required to leave \$1,000 in your KiwiSaver fund to continue on with your retirement savings.

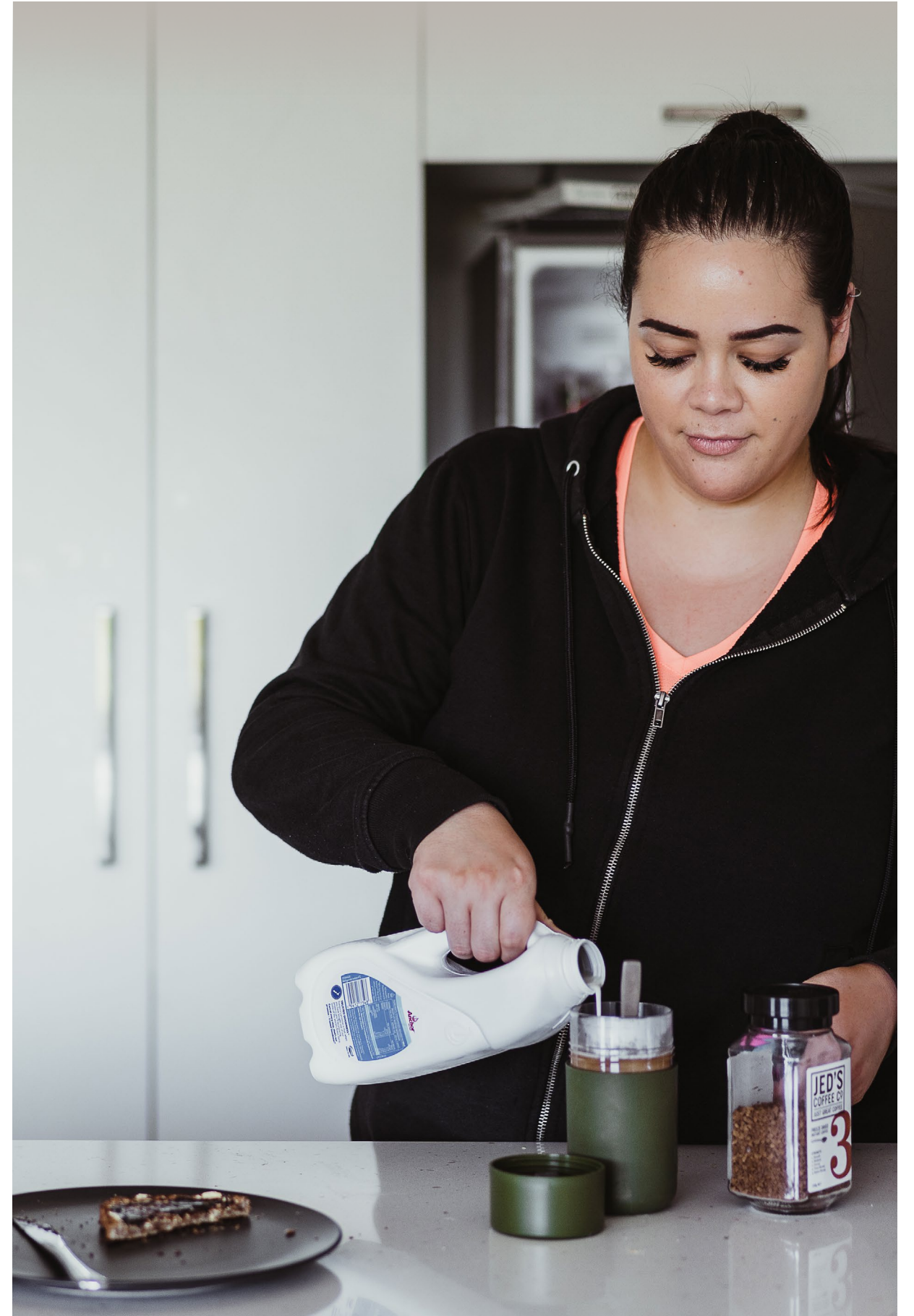


What other **support** is available for First Home Buyers in New Zealand?

The New Zealand government has kindly set up a grant programme to help those get over the first hurdles of home ownership.

As a first home buyer, you may be eligible for a \$10,000 Home Start Grant and if you are buying with another person, this can mean up to \$20,000 towards your new home.

Of course, there are some terms and conditions. You must be planning to live in the house for at least six months; You must have a single income up to \$95,000 or a combined yearly income of \$150,000 or less (before tax) for two or more applicants; And you must be buying or building a house under the regional house price caps.



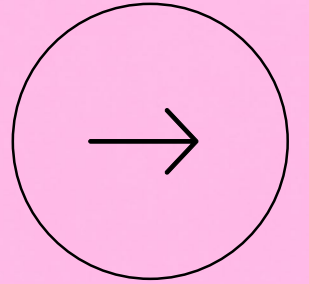
**Additional expenses may include:**

- Solicitors fees
- Valuations
- Building Inspections
- Moving Costs
- Initial setup costs for utilities

Are there any other additional **expenses** I should expect?

When you have organized your deposit, you have a little more saving to do. There are a few expenses that come with buying your first home that cannot be included in your mortgage. These relate to due diligence, and it is important that you set some money aside to cover these costs.

When buying a new home, a lot of these costs are significantly less. Classic Property provides one of the simplest options for First Home Buyers.



STEP 2

Get pre-approval.

Getting a pre-approval puts you in a better position to make a meaningful offer, speeds up the mortgage documentation process and enables you to bid confidently at auctions.

How do I get pre-approved?

Start with your bank and a mortgage broker. Approaching your own bank can cut out a lot of admin as they have your spending and earning history clearly documented already.

A mortgage broker can sell your case into multiple lenders saving you a lot of time.



How much you can borrow depends on a few factors:



The amount you have saved for you deposit



The amount you earn - your income



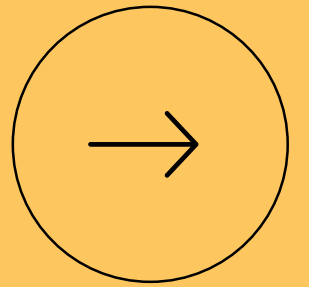
Your ability to repay your home loan after you've paid your outgoings



The value of the home you are looking to purchase



At Classic Property, we want to help make the home buying process as smooth as possible. Contact us today for more information on how we can assist you in finding your dream home.



STEP 3

Get expert advice.

It's always a good idea to get your own independent legal advice when looking at any contract. We recommend finding someone local and who is unrelated to the company or agent who is selling you the home.

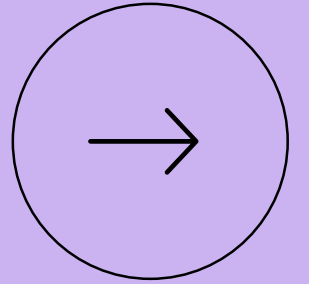
Finding the **right lawyer** is an important part of the buying process.

Your lawyer will make sure that all the legal processes are followed, and they can also check over property reports, such as Land Information Memorandums (Council LIM reports) and titles. They are also helpful at explaining all of the legal jargon which can get a bit confusing.



Ask your friends and family which solicitors they have used, this is typically the best place to start. Otherwise you can contact Auckland District Law Society for a referral.





STEP 4

Let the house hunt begin.

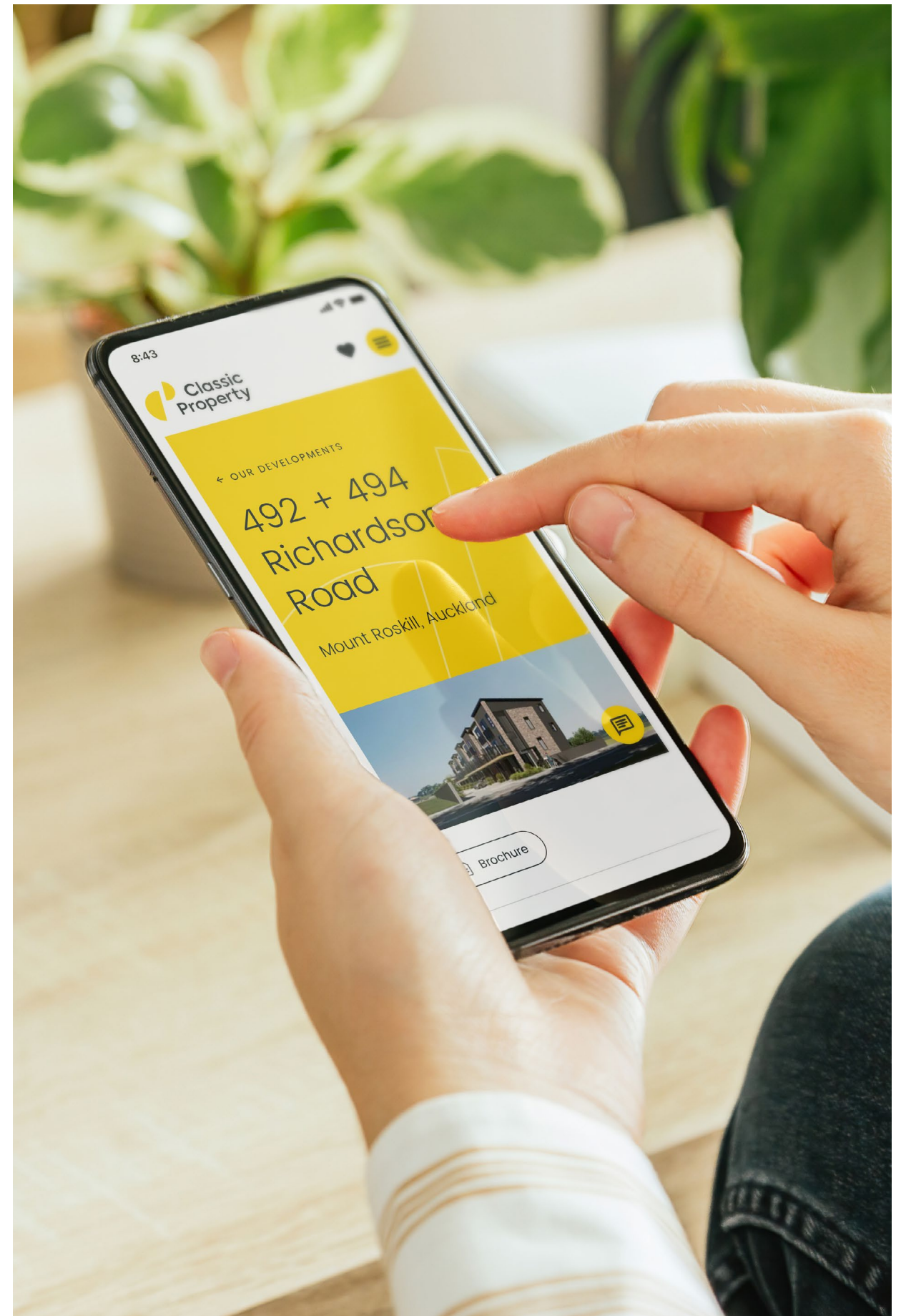
Whoop! With the finances arranged and lawyer awaiting your instruction, it's time to go shopping, but where do you start?



TradeMe Property is a great place to start or chatting to real estate agents specialising in the regions where you want to purchase.

The internet is a great tool for researching different types of homes within your budget.

With many benefits available to first-home buyers purchasing a new build, it also makes sense to talk to developers and build companies in the region. Going direct to the person who is responsible for the building of a home can allow you to grab deals before they hit the market.

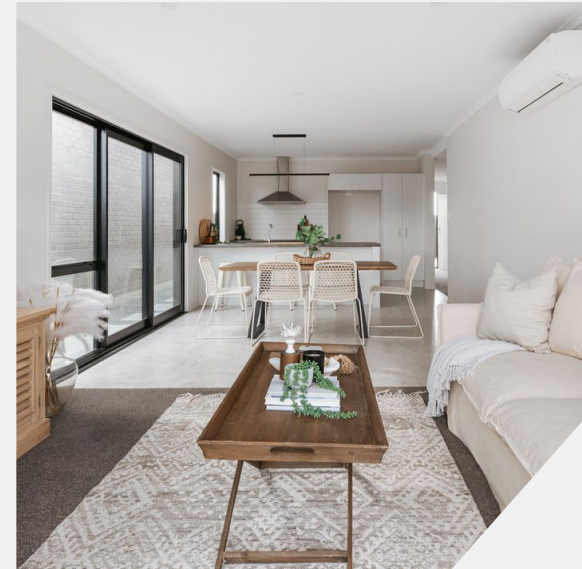


Aside from the additional funding schemes, there are **many benefits** to investing in a new build such as the opportunity for great capital gains.



Low-Maintenance Homes

If you have a full-time job, enjoy having your weekends free for hobbies or are not handy with power tools, you can invest safely in the knowledge that your new build isn't going to cost you time and money for many years to come.



Healthy Homes Standards

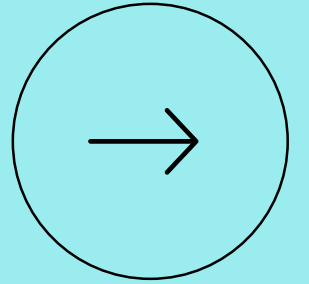
All Classic Property homes are built to meet the Healthy Home standards which must be active in all new builds by July 2024.

This means heating, ventilation and draught stopping are implemented to a high standard avoiding any mould or dampness in a home.



Keen to have a look at some properties in Auckland?

Give us a call and we can show you the best options for you across our three developments in Auckland, or visit our website [classicproperty.co.nz](https://www.classicproperty.co.nz)



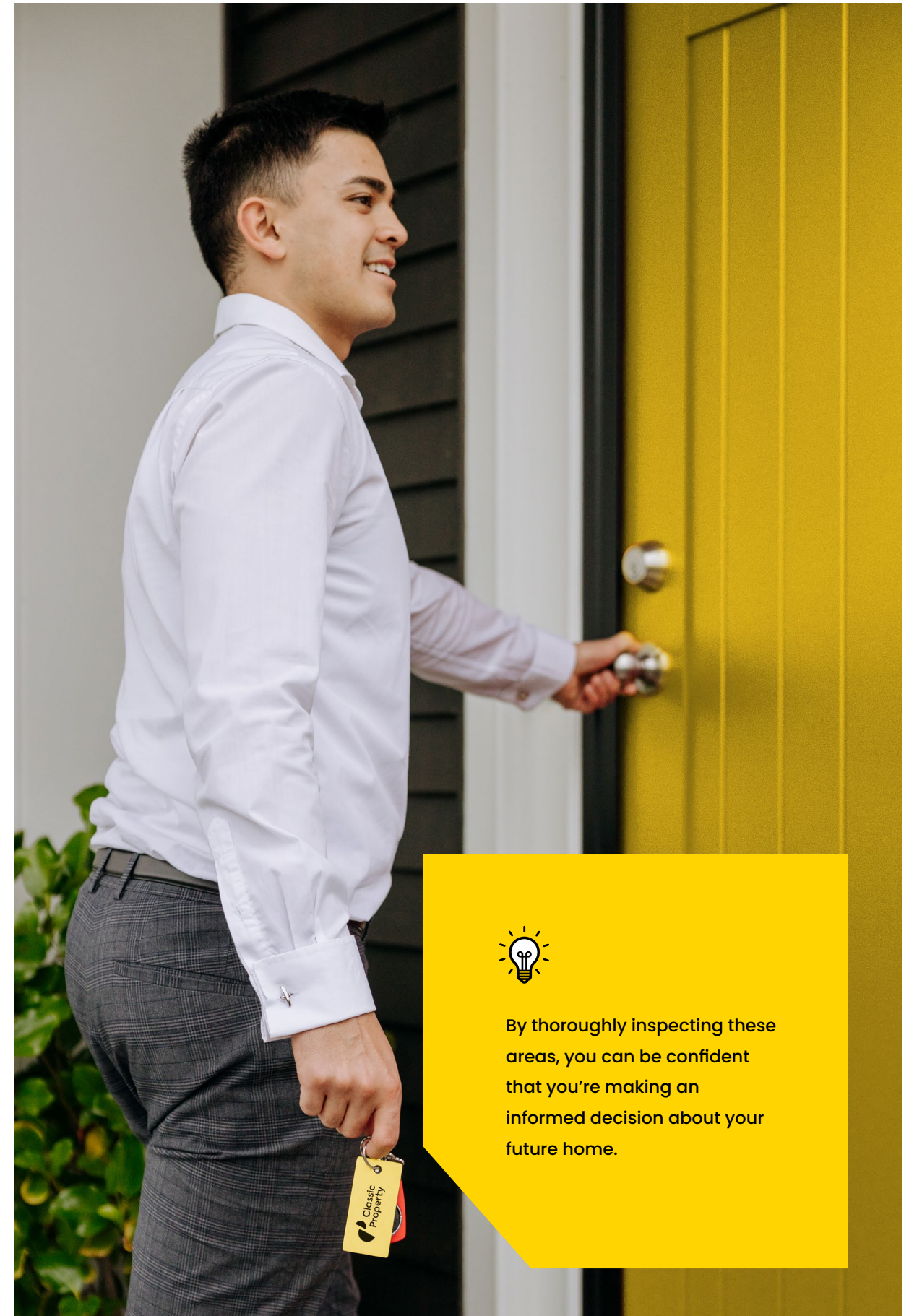
STEP 5

Inspect the property.

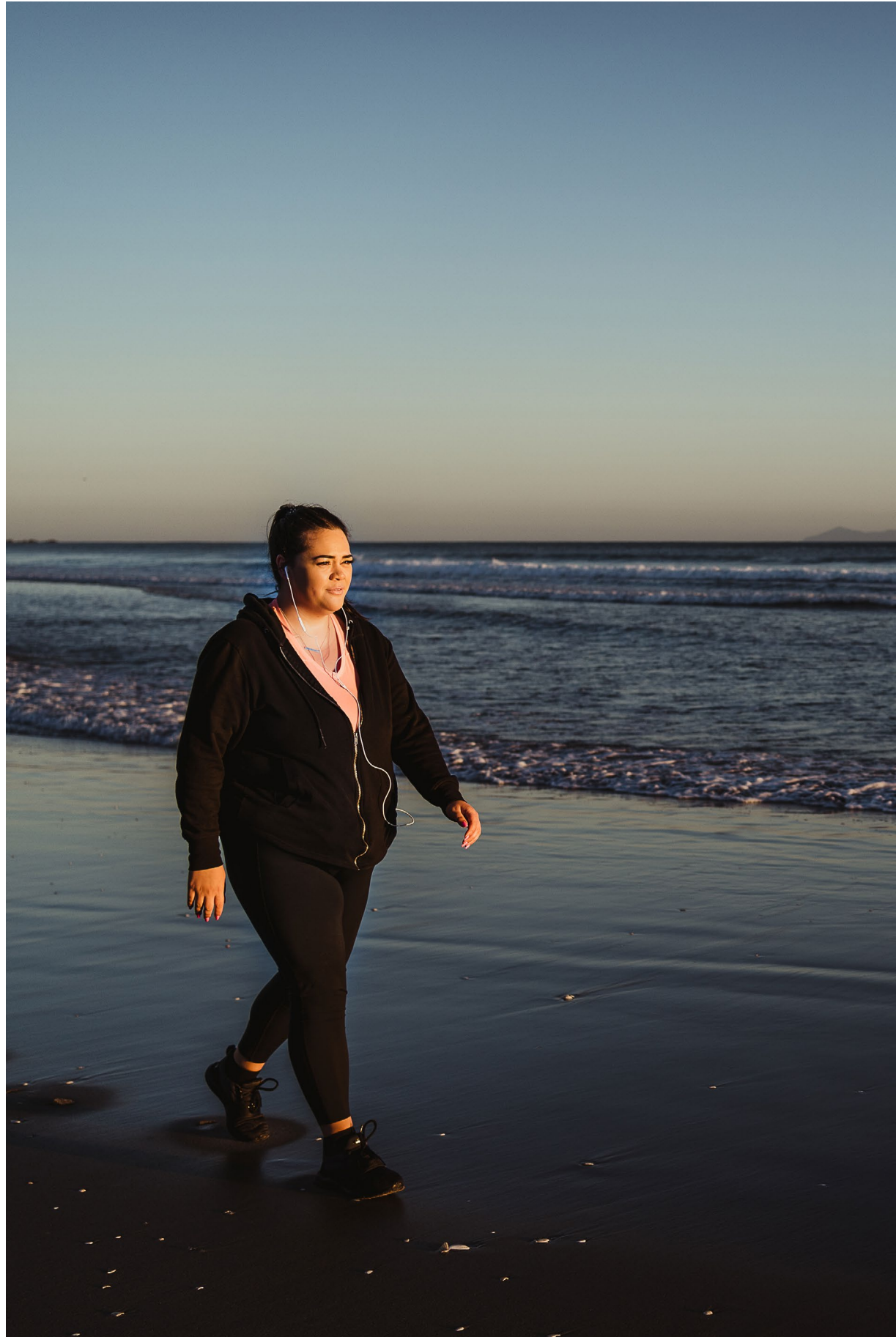
When considering a potential home, it's important to take a close look at various aspects of the building to ensure it's the right fit for you.

When inspecting a property, there are some **key things** to check:

Things to check	What to look for	Checked
Insulation, ventilation and heating	Find out about the homes insulation, ventilation, sources of heating and whether the windows are double glazed	
Electrical and gas	Check the power points, lighting and cooking facilities	
Exterior	Check the outside walls, roofs and gutters and look at the condition of the decks, piles, garden and lawns	
Building materials	Find out what materials the building is made out of, including the exterior walls and roof	
Plumbing	Check the shower pressure, toilets and cisterns	
Walls and ceilings	Check that the walls and ceilings are in good condition	
Doors and windows	Check the condition of all doors and windows and see if they open and shut properly	
Drainage and spouting	Look at the drains and check the spouting	
Gardens	Ensure your weekends don't disappear to a hard to maintain garden	



By thoroughly inspecting these areas, you can be confident that you're making an informed decision about your future home.



All Classic Property homes are built to healthy homes standards and come with a new build warranty which has you covered for up to ten years.

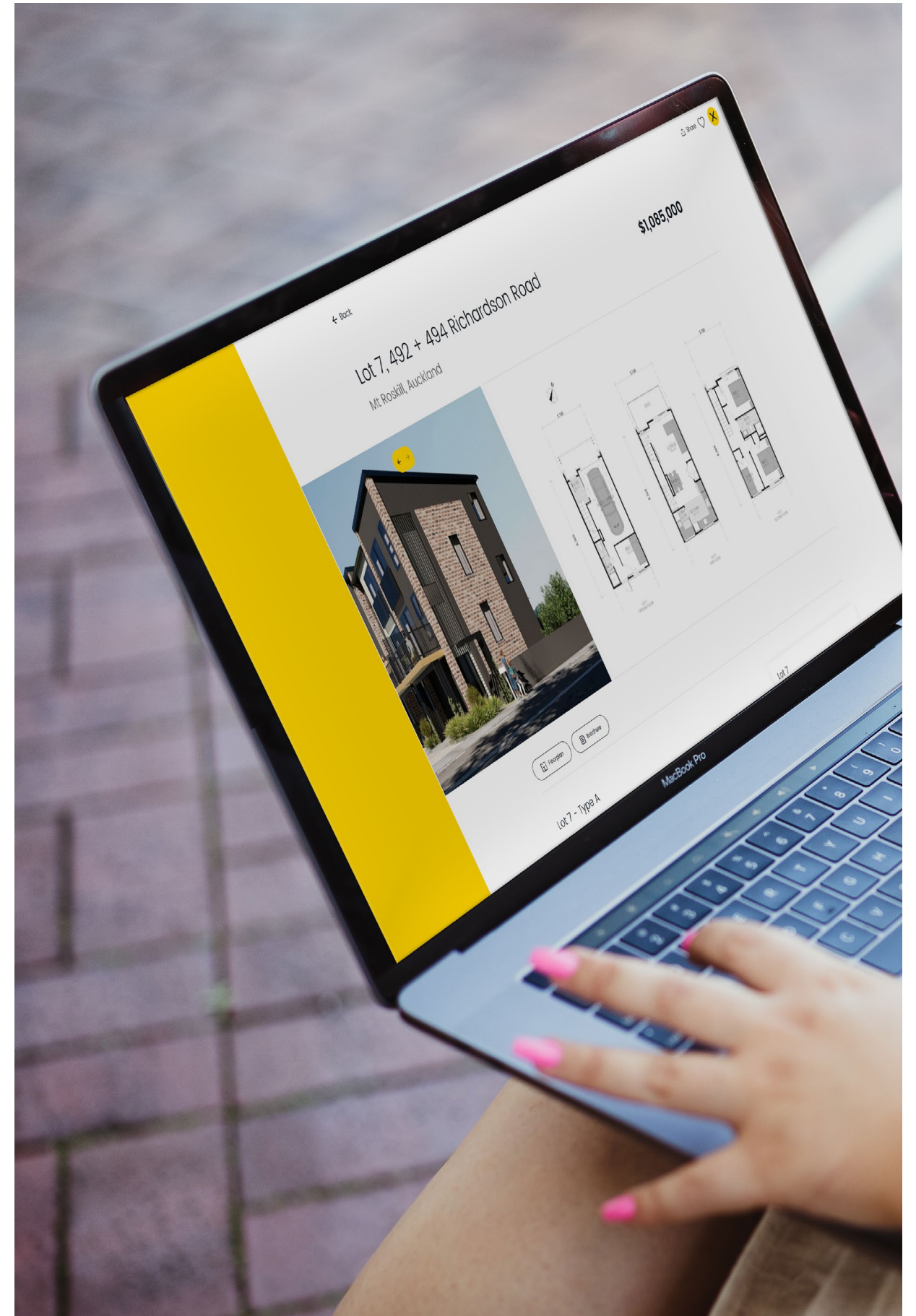
This is where new builds truly shine, they are a **stress-free** way of ensuring that you have a home that won't require upkeep and renovation for many years to come.

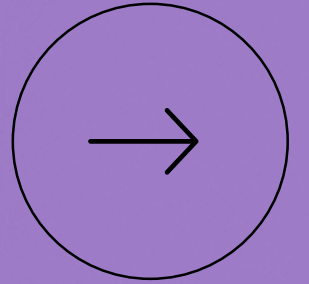
It is important to research the company building your home, to ensure that you avoid costly delays in the build process and that your home is built to the correct standard. Classic Group has built over 7,500 homes across New Zealand, so we deeply understand what it takes to create a quality home that will last a lifetime.

It's always a good idea to check out the **LIM report** for your property as well as builders and engineers reports.

A LIM report may include important information about:

- Potential erosion, subsidence or slippage, flooding of any type and possible presence of hazardous substances
- Private and public stormwater and sewerage drains
- Rates, including any overdue rates
- Building, plumbing/drainage, and resource planning consents (*including notice, order or requisition affecting the land or any building*)
- Special conditions including New Zealand Historic Places Trust listings
- Any information which has been notified to the council by any statutory organisation in terms of any other act
- Network utility in relation to the Building Act 1991 or 2004.





STEP 6

Make an offer.

This can be an exhilarating and stressful time, but there are a few key things you can do to ensure that this process goes smoothly and you get a good deal.

There are **two types** of offer:



Unconditional Offer:

A straight forward offer to buy according to the terms set out in the contract all auctions are unconditional, so when the hammer falls the contract is binding.

Conditional Offer:

If there are any issues or pieces of information that you require, you can make a conditional offer. Some examples of conditions can be:

Arranging finance or being satisfied with a building report you arrange.



If the agreement is conditional:

Any conditions need to be satisfied by the due date. It is the buyers responsibility to satisfy or refuse those conditions. Once the conditions are met, the offer becomes 'unconditional'.



Your offer is accepted once all parties have agreed to the terms, including price and deposit, and the contract agreement has been signed by all parties.



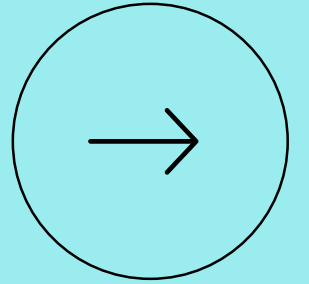
Going Unconditional:

Once an agreement is unconditional, neither the buyer or the seller can change their mind, and the buyer must pay the rest of the purchase price on the settlement day.

Deposit payments are made by the buyer to the real estate agency, which is required by law to hold the money in an audited trust account, only releasing it to the seller when legally authorised to do so.



We'll work with both solicitors and will let you know once the deposit has been transferred.



STEP 7

Time to get insured.

Obtain insurance for the property including building and contents insurance



House insurance covers most structures on your property – your house, garage and fences.

Most policies also cover your retaining walls and recreational features (for example, swimming pools) but the cover is often capped. You can increase these caps for a higher premium.

House insurance when buying a house is usually mandatory and refers to a policy that protects one's house.

When choosing insurance policies, here are some important things to keep in-mind:

Things to keep in-mind:

Checked

Keep in mind that gradual damage may only provide limited cover for losses that happen over time, like leaky pipes

If you're renovating, make sure your policy covers the work you're doing

Look for keys and locks cover which provides cover to change your locks if your keys are lost or stolen

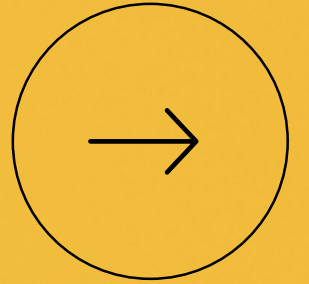
Some policies may have a reduced excess for common claims like broken glass

Check if your policy includes temporary accommodation coverage, which pays for your costs if your home becomes uninhabitable

Know how much excess you'll have to pay if you make a claim and it's accepted

Make sure you choose a sum insured amount that covers everything you need, including any extra features like pools or driveways. You can use a calculator to help

Cost – Shop around, there are plenty of great options in the market



STEP 8

Settlement date set.

When it comes to the pre-settlement inspection, it's essential to keep a keen eye out for anything that could potentially impact your new property purchase.

Here are some of the things to look for when **inspecting** your new property before settlement:

What to inspect:

Inspected

Take a copy of the sale and purchase agreement with you to the pre-settlement inspection so you can refer to details of any conditions and chattels

Check that the property is in the same condition as it was when you signed the sale and purchase agreement

Check if there is any property damage since the sale and purchase agreement was signed, for example storm or earthquake damage

Make sure that all the chattels listed on the sale and purchase agreement are in the property and are in good working order (*unless it has been agreed and documented otherwise*)

Check that fixtures such as lights and curtains work too

If the seller agreed to carry out maintenance or repairs to the property as part of the sale and purchase agreement conditions, check that this has been done

Make sure that all the building/site rubbish has been removed

Check that all keys, garage door remotes and security alarm codes are accounted for and will be available to you on settlement day



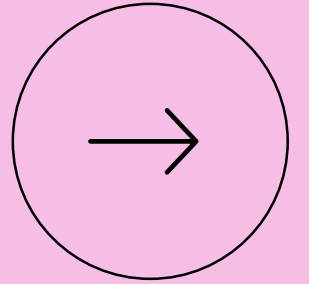
If you find any issues during the pre-settlement inspection, be sure to address them with your lawyer or conveyancer as soon as possible.



On the settlement date, pay the balance of the purchase price and take **possession** of the property.

Your solicitor should then register the transfer of ownership with the local council and obtain new title documents in your name.

When you buy or sell a property, it's important to take care of some things related to rates and ownership.



STEP 9


You move-in!

Congratulations, you did it. You're officially a home owner and have your first run on the property ladder.

Ready to embark on your **new home** journey?

Explore Classic Property's new build opportunities and feel confident in taking the next step. Visit our website or contact our team today.

 classicproperty.co.nz

 0508 77 77 89



Need to brush up on your mortgage lingo?

The mortgage application process can be complex, and lenders' jargon can be overwhelming. We've broken down some of the key mortgage terminology used in New Zealand to help you better understand the process.





🔍 classicproperty.co.nz