

**BNZ's**

# **Guide to Buying**



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***A handy home buyer's guide.***

*This guide is designed to help you make good decisions on your home buying journey.*



# *We're ready when you are*

Taking the first steps towards home ownership can be overwhelming. So we put together this user-friendly guide to help get you through.

If you're keen to know more, come and chat to us and we'll help you get started. Or, if you're not ready to talk in person just yet, take a look at **[bnz.co.nz/homebuyers](https://bnz.co.nz/homebuyers)**. You'll find plenty of detailed info, like what documents you'll need to bring when you come in to discuss a conditional home loan approval, or what to look out for when you visit open homes.

Give us a call on **0800 080 222**. We're always happy to talk you through different ways you can be good with money.

Please note, this booklet is a guide only and should not be considered advice. You should seek independent, professional advice before making any decisions.



**Tip:** If you're unsure whether you're ready to buy, call **0800 080 222**. We can always talk you through what's involved to help you decide what's right for you.

# The *lay* of the land

## Here are a few things to think about.

Sure, it might seem like a lot to read up on now, but knowing what to look for, and what to watch out for, can save you thousands.

And when you're ready to talk home loans, we can look at all the different ways we can help you be good with money by paying it off sooner.

### How much can I borrow?

We can help you work out your price range, as well as the home loan that'll fit you best. Our home loan application checklist online is a good place to start and our mortgage calculators will give you a rough idea of what you'll be able to afford.

### Who should I talk to?

You'll need to talk with a few different people throughout the home-buying process, like a real estate agent and a lawyer. When it's time to buy, the lawyer will look over all your legal paperwork. If you need help finding one, check out our **Contacts & Info** section on page 21.

### What am I looking at?

When you look at buying a place, you'll need a LIM (Land Information Memorandum) report, and a QV (Quotable Value) report or registered valuation. These reports have details about the value of the property. Take a look at the **Glossary** on pages 22 and 23 for more information.

### Where's the area headed?

Think about whether it's in a good school zone, and what the public transport will be like. Take a look at how house prices are moving, and be aware that any major changes to the area, like a new development going in nearby, could affect your resale value.

**Tip:** Talk to us about a conditional home loan approval. We can also look at whether you can use some of your KiwiSaver contributions for your deposit. Visit [bnz.co.nz/gettingapproved](https://bnz.co.nz/gettingapproved) or give us a call on 0800 080 020.

# House hunting help

## ***A few things people forget.***

Before you dive into house hunting, here are some simple steps that are often overlooked.

### ***Look independently.***

Even if you have real estate agents hunting for you, it never hurts to search for yourself too. Good places to look for properties are TradeMe, real estate websites, regional property presses and newspaper listings.

### ***Listen out at open homes.***

If you like a place, it's a good idea to go back to the open home a few times. While you're there, listen out in case other potential buyers ask important questions.

### ***Scope the area.***

Keep visiting places you're interested in and do your homework on those places. Get recent sales in the area to get a better idea of the area. Check out the area on different days and at different times. Open homes are usually held at quiet times during the weekends, so a place might seem fine at midday, but become a hotspot for joyous, loud partygoers at midnight.

### ***Find out how it's being sold.***

There are a number of ways a place can be sold. You'll want to find out if it's by offer and negotiation, auction or tender. Have a real estate agent talk you through the process beforehand so you know what to expect.

### ***Double-check everything.***

At your final inspection check the chattels work (especially the oven or hob) at each home you visit. Once you've bought a place, make sure everything still works when you move in, and nothing that was listed is missing, like light fittings.

**Tip:** Take a look at the **Glossary** on pages 22-23 for some handy house hunting terms.



# Be a *smart* buyer

## **Practical tips for open homes.**

Keeping these things top-of-mind will help you to make good decisions when you start visiting open homes. You might not get the first place you want, but be patient. The right one will come along.

### **Keep your feet on the ground.**

It's easy to fall in love with a place that's impractical. Make a list of your wants and needs and take a friend or family member to help you stay focused.

### **Put it all in writing.**

Even the best of us can be forgetful, so take notes as you go. To help you with this, why not use the checklist in this guide?

### **Look for the bright side.**

North facing is your friend. Check what direction your property faces and how much sunlight you'll get throughout the day.

### **Snap a few pictures.**

Photos published in the sales material can make a place look bigger and lighter than it really is. It's always good to have a few pictures of your own.

### **Imagine your furniture.**

Look at the property, not the contents. You might need to remind yourself not to be distracted by the art and furniture an open home is dressed with.

### **Ask questions.**

It never hurts to knock on a neighbour's door and ask them what they know about the area.

**Tip:** There's a handy checklist starting on page 12 of this guide. You can take this to open homes with you, and you can print off extra copies from [bnz.co.nz/homebuyers](https://www.bnz.co.nz/homebuyers).

# Your journey in a nutshell

## So what should you expect?

There's a lot of information to get through, so here's the simplest way of looking at your journey as a home buyer.

### Step 1: Money matters.

You need a deposit and a home loan that you're comfortable with. We can help you work out the mortgage structure that'll best suit you, and you can talk to us about conditional and unconditional home loan approval.

### Step 2: Planning and research.

It's likely to be your biggest purchase ever, so you want to make sure you've investigated every angle.

### Step 3: Finding a home.

Go to as many open homes as you can, even if it's not one on your 'most wanted' list. Seeing a lot of houses in the area will help you gauge what a fair price is when it's time to buy.

### Step 4: Signing and sealing.

See the **Glossary** for different ways a place can be sold. You'll need a lawyer to check over contracts and protect your legal rights throughout the sale.

### Step 5: Moving in.

There's a lot to plan for, such as the cost of moving, insurance, switching things like your power and cancelling automatic payments for your rent.

### Step 6: Enjoy it.

Buying a home can be hard work, but once you're in your new home and everything is settled, it'll be worth it. Give yourself time to celebrate.

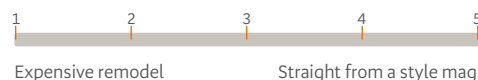
**Tip:** Talk to us about home and contents insurance alongside your mortgage; that way you can sort everything at once. For more info visit [bnz.co.nz/homebuyers](https://www.bnz.co.nz/homebuyers).

# Open home checklist

## General living areas:

Think about whether or not you might need to renovate and how soon. Will it need new wiring and extra sockets, and are there any tell-tale signs of dampness, like mould?

Overall interior rating:



- ☐ Well insulated
- ☐ Secure or alarmed
- ☐ Existing heating system
- ☐ Repairs needed

Notes:

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Rating:

## Kitchen:

The kitchen can be expensive to renovate, so keep an eye out for anything that might be faulty or in need of an upgrade, whether or not your current appliances will fit if you're bringing them, or if the stove is gas or electric.

Overall kitchen rating:



- ☐ Waste disposal system
- ☐ Functional space / good layout
- ☐ Dishwasher
- ☐ Good quality fixtures

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## Bathrooms & toilets:

Look out for tell-tale signs of water damage or dampness, how modern the taps and fittings are, or if you notice any weird noises or smells that could mean problems with the plumbing.

Overall bathroom rating:



- ☐ Good ventilation
- ☐ Separate toilet and bathroom
- ☐ Plenty of storage
- ☐ Good water pressure

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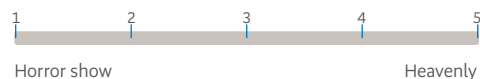
Rating:

## Bedrooms:

As well as how many there are, think about the size of the bedrooms. Is that really a double, or more of a single, and what else could you fit once the bed was in there?



Overall bedroom rating:



- ☐ Is it quiet at night time?
- ☐ Good storage
- ☐ No signs of dampness
- ☐ Enough electrical outlets

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## Home exterior:

Think about when the outside might need repainting or recladding. Is there any maintenance needed around the windows and doors and do the decks look like they need work?



Overall home exterior rating:



- ☐ Roof/house needs painting
- ☐ Good spouting and downpipes
- ☐ Secure fencing
- ☐ Solid, dry foundations

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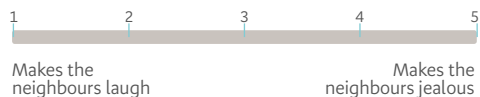
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## Parking & garage:

Is there parking on the property, or is it offsite? If there's a carport, or a garage, how many cars can fit, or if you want to extend, what will you have room for?



Overall parking & garage rating:



- ☐ Fully enclosed carpark
- ☐ Garden/shed additional storage
- ☐ Work bench
- ☐ Dry and secure areas

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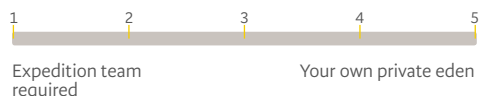
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## General section & neighbourhood:

Will it be a lot of hard work to maintain the property? Look out for any worrying boggy patches, and think about how safe the property and neighbourhood will be for you, your kids and pets.



Overall general section & neighbourhood rating:



- ☐ Lawns to mow
- ☐ Desirable area/school zone
- ☐ Quiet neighbourhood
- ☐ Tidy street

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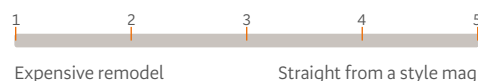


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Agent

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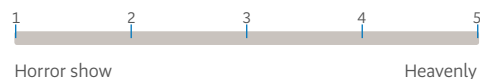
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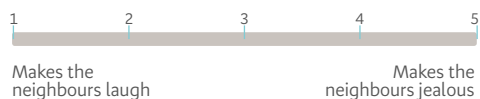
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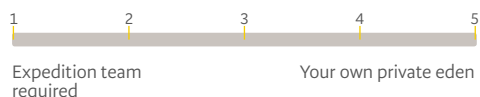
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# Helpful contacts & info

We haven't included everything in this booklet, but we've listed some useful sites below if you'd like more info and as always you can take a look at [bnz.co.nz/homebuyers](http://bnz.co.nz/homebuyers) or give us a call on **0800 080 222**.

## Get a QV report.

[www.qv.co.nz](http://www.qv.co.nz)

This is a useful website where you can find information about a property, and get a good idea of its value.

## Learn about leaky housing.

[www.consumerbuild.org.nz](http://www.consumerbuild.org.nz)

Make sure you know what to look out for when you're visiting open homes.

## Get your plans sorted.

[www.sorted.org.nz](http://www.sorted.org.nz)

Pick up tips for a cost-effective move and how to plan for on-going costs.

## Housing NZ.

[www.hnzc.co.nz](http://www.hnzc.co.nz)

Find out whether you can use some of your KiwiSaver savings to add to your deposit.

## Find a lawyer.

[www.lawsociety.org.nz](http://www.lawsociety.org.nz)

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

## General information.

[www.cab.org.nz](http://www.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.

## Find your local council.

[www.lgnz.co.nz](http://www.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.

# Glossary of terms

## → Auction

A public sale of a property, sold to the highest bidder once the owner's reserve is reached.

## → Certificate of title

The official document, showing ownership of the land described in it. The Certificate of Title describes the area and location of the land, the registered land owner, and all mortgages and other interest (e.g. easements) affecting the land.

## → Chattels

The extras included with the property purchase, like an oven or light fittings. These vary from place to place.

## → Deposit

The amount of money paid to secure the purchase of the house. On settlement, the deposit is treated as part-payment of the purchase price. It's important to find out what paying a deposit will commit you to, whether the deposit is refundable and, if so, in what circumstances.

## → Fixed interest

An interest rate that stays the same over the term (the period of time) that you've chosen, even if the financial market changes.

## → Floating interest

An interest rate that fluctuates alongside the financial market.

## → Home loan

The money that is lent to you by the bank to cover the remaining cost of buying a home after any deposits have been paid.

## → Conditional home loan approval

Your bank agrees to lend you a certain amount of money for the purpose of buying a home, as long as you meet the conditions they outline.

## → Unconditional home loan approval

Your bank agrees to lend you a certain amount for a specific property. You must have met any other conditions they have outlined previously. If you're with BNZ, we can lock in a rate on an agreed amount, and can confirm your approval with your lawyer.

## → Sale and purchase agreement

The legal contract between a vendor and the buyer for the sale and purchase of property. You'll need a lawyer to look over legal paperwork and ensure your rights are protected before the settlement date.

## → Settlement

The final stage of buying a house where the balance of the purchase price is transferred from the bank to the vendor.

## → Tender

A sales process where all potential buyers submit their best offers for a property, in writing, by a given date.

## → Vendor

The person (or sometimes a company) selling a property.

**Tip:** Take a look at '[How do you get the home you want](#)' at [bnz.co.nz/homebuyers](https://bnz.co.nz/homebuyers) for more information.

