CODY SUBRITZKY
Mortgage Brokers

First Home Buyers Guide

Everything you need to know about buying your first home in New Zealand, from getting ready to settlement day.

THIRTEEN SECTIONS

The complete process, from readiness to settlement

GLOSSARY AND FAQS

Clear definitions and straight answers

WRITTEN FOR NEW ZEALAND

NZ lending rules, schemes and terminology

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Updated September 2026

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SECTION ONE

Planning

01

Are You Ready to Buy?

What readiness really means

Buying your first home is one of the most rewarding steps you will take in life, and one of the biggest financial decisions you will make. This guide is here to help you move from idea to action with confidence, by helping you comprehend all the moving parts involved in planning, finding, and funding your first home.

Being ready means that when the right home comes along, you can buy with confidence, knowing your finances stack up and the decision fits the life you want. Readiness is not a hurdle to clear. It's a process that turns a renter into a home owner.

Lifestyle Readiness

Readiness starts with life, not the numbers. Before you look at what a bank will lend you, it is worth being honest about where you are and where you are heading. A first home is one part practical, one part personal, and the more clearly you can picture the life you want it to support, the better the decision becomes.

A few things worth thinking through:

- **Where you want to plant roots.** Is this the city or region you can see yourself in for a decent stretch? A first home works best when you can stay long enough for it to work for you.
- **The stage of life you are in.** Are you looking at this as a stepping stone to something bigger down the track, or somewhere longer term where life gets built? Both are valid. They just point to different kinds of homes.
- **Family changes on the horizon.** Kids, blending a family, aging parents, a partner returning to study. Life rarely stays still, and a home that suits you today needs to have room to move with what is coming.
- **Career goals and opportunities.** Is your work steady, or are you eyeing a role that might mean relocating? A promotion, a change of industry, or going self-employed all change the picture.
- **The kind of home that fits how you live.** A lifestyle block or fixer-upper can be deeply rewarding, but they need time, energy, and patience. If your life is already full, a lock-and-leave that quietly gets on with things might suit you better. There is no right answer, only the right fit for the life you are actually living.
- **Buying as a couple.** Are you both equally ready, and aligned on what you want and how you want to get there? The best time to have that conversation is before you start looking, not during.
- **The ongoing costs of ownership.** Rates, insurance, maintenance, repairs. Owning a home is a running cost as well as a purchase.

Bank Readiness (Bankable)

Once life is lined up, the next question is what a lender will see. Getting a clear view of your finances before you start viewing properties means no surprises when you apply. Lenders will look at:

- **Savings.** How much have you saved, and how consistently? Genuine savings built over time are viewed more favourably than lump sums.
- **KiwiSaver.** If you have been a member for at least three years, you may be able to withdraw most of your balance toward your deposit.
- **Income stability.** Lenders want consistent, verifiable income. Self-employed applicants typically need two years of financials.
- **Existing debts.** Credit cards, car loans, student loans, and buy-now-pay-later facilities all affect your borrowing capacity. Lenders use the full credit limit, not just the balance.
- **Credit history.** Defaults, missed payments, or recent credit enquiries can affect your application. You can pull a free credit report at clearscore.co.nz, centrix.co.nz or creditworks.co.nz.

> **Our advice: when is the best time to reach out and start a conversation with us?** As soon as buying your first home becomes a goal you want to pursue, not when you think you are ***Bankable***. The distance between thinking about home ownership and being ready to buy can be months or even years, and an early conversation can genuinely shorten it. We can help you understand what to focus on to move the needle, and keep in touch along the way. There is no charge for our service, so there is nothing to lose and everything to gain.

02 Understanding Your Numbers

The three numbers a lender looks at, and what they mean for you

Every lending decision comes back to three numbers: LVR, DTI, and UMI. Together they decide how much a bank will lend you, on what terms, and whether the deal stacks up at all. Understanding what they are, and how they interact, is the difference between guessing at what you can do and knowing.

LVR: Loan to Value Ratio

LVR is the size of your loan compared to the value of the property. A $600,000 loan on a $750,000 property is an 80% LVR. It is the number that tells a bank how much of the risk sits with you (your deposit) and how much sits with them (the loan).

- **The standard minimum deposit for owner-occupied homes is 20%.** At 80% LVR or lower, you get the full suite: the sharpest interest rates, cashback contributions, and access to features like redraw facilities.
- **Less than 20% does not mean we cannot get you a mortgage.** It just means there are a few restrictions and concessions we need to work with, such as limited approvals available, no access to discounted rates and other mortgage features, and some banks charging a low equity premium or margin. That said, all main banks currently offer at least a $5,000 cashback to first home buyers on low-deposit lending, regardless of mortgage size.
- **Kāinga Ora First Home Loans allow as little as 5% deposit**, and are exempt from the low-deposit lending caps and standard LVR restrictions.
- **Ideally, low-deposit buyers sit in the 10 to 15% range.** It is where we see the most workable balance between getting you into a home sooner and keeping the deal attractive to lenders.

DTI: Debt to Income

DTI is a cap on how much a bank can lend you relative to your income. All main banks can lend no more than 6 times your total gross household income for an owner-occupied purchase.

That means a household on $150,000 gross has a hard ceiling of $900,000 in total debt, regardless of how much deposit you have. Kāinga Ora First Home Loans are exempt from DTI restrictions.

DTI often surprises people. A big deposit does not, by itself, unlock a bigger loan. Both the deposit and the DTI limit have to line up.

> **Pro tip.** Rental income and boarder income count toward your gross household income for the DTI test.

UMI: Uncommitted Monthly Income

UMI is what a bank uses to check you can genuinely afford the loan. It is the surplus left in your budget each month after all your commitments have been accounted for, tested against a higher interest rate than you would actually pay (the serviceability buffer).

Each bank sets its own UMI requirements, based on:

- **A test interest rate** (typically 2 to 3% above the actual rate you would pay).
- **Your income**, adjusted for how consistent and verifiable it is. Bonuses, overtime, self-employed income, and rental income are often scaled down. Benefits are also included, such as Working for Families and child support.
- **Your expenses**, using either your actual declared spending or the bank's benchmark figures, whichever is higher.
- **Your existing financial commitments** (credit cards, car loans, student loans, buy-now-pay-later). Full credit limits are counted, not just balances.
- **The number of dependants** in your household.

Two things worth knowing. First, **low-deposit borrowers need a higher UMI surplus.** Banks want more comfort where the deposit is smaller. Second, **UMI is a post-settlement test.** The bank is asking "once you move in and the mortgage is running, is there still meaningful room in the budget?"

Additional homeowner costs

A household budget needs to factor in the costs that come with owning, alongside the mortgage itself. Whether these are actual figures you already know or reasonable assumptions, they need to sit in the budget from day one:

- Mortgage repayments, budgeted at a conservative rate, not the lowest advertised
- Council rates and water rates
- Home and contents insurance
- Ongoing maintenance and repairs

The upfront costs to plan for

Your deposit is only part of it. Budget for these on top:

Cost item	Indicative cost	Notes
Legal fees	Approx. $2,500	Varies by solicitor and complexity
LIM report	Approx. $400	Ordered from your local council
Building inspection	$400 – $800	Highly recommended for all properties
Registered valuation	$800 – $1,500	Required by some lenders
Moving costs	Varies	Get quotes early

***Tip*:** sorted.co.nz has free budgeting and mortgage calculators you can use to stress test your numbers before you commit.

! **Our advice: know your numbers before the market decides them for you.** Working out your LVR, DTI, and UMI up front means you shop with a real budget and no surprises at application time. Come and have a chat, we will run the numbers on your situation and tell you exactly where you sit and what you can do to strengthen it.

03

Government Schemes and Support

KiwiSaver, First Home Loan, and what's changed

The New Zealand government at different times can offer schemes to support first home buyers into their first home. In the past, first home buyer grants were offered but have since closed (May 2024). Current schemes are noted below, but it is always worth checking what is available at the time.

KiwiSaver First Home Withdrawal

If you have been a KiwiSaver member for at least three years, you may be able to withdraw most of your balance toward your deposit. You must leave a minimum balance of $1,000.

- Have been contributing to KiwiSaver for at least three years
- Be purchasing your first home, or meet the criteria to be treated as a first home buyer
- Intend to live in the property. This cannot be used for investment properties

Your KiwiSaver provider manages the withdrawal. Apply at least 4 to 6 weeks before your settlement date.

> **KiwiSaver contribution update.** From 1 April 2026, the minimum employee KiwiSaver contribution rate increased from 3% to 3.5%. ***If you are saving for a deposit, check how this affects your take-home pay and adjust your budget accordingly.***

First Home Grant, Closed

> ***The First Home Grant, which previously provided up to $5,000 for an existing home or $10,000 for a new build, was closed by the New Zealand government in May 2024*** and is no longer available to new applicants.

First Home Loan (Kāinga Ora)

The First Home Loan scheme is available through selected lenders and allows eligible first home buyers to purchase with a deposit of as little as 5%, rather than the standard 20%. To be eligible:

- Be a New Zealand citizen or permanent resident
- Meet income caps, currently $95,000 for a single buyer with no dependants, or $150,000 combined for two or more buyers. Always confirm current limits at kaingaora.govt.nz as these are reviewed periodically
- Be purchasing the property to live in, not as an investment
- Meet lender credit criteria

A lender's mortgage insurance premium applies under this scheme.

> **Good to know.** House price caps were removed from the First Home Loan scheme in 2022. ***There is no purchase price limit.*** Kāinga Ora First Home Loans are also exempt from standard LVR and DTI restrictions. We work with this scheme regularly and can quickly tell you whether you qualify.

Reserve Bank exemption for new builds

New builds are treated differently under Reserve Bank rules. If you are buying a newly built home from the original developer, the property is exempt from the standard low-deposit LVR restrictions, as long as the Code Compliance Certificate (CCC) is no older than 6 months at the time of purchase and the home has not previously been lived in. Homes under construction, off-the-plan purchases, and turnkey builds are also generally captured by the exemption.

In practice this means banks have more room to lend on new builds with a smaller deposit than they would on an existing home, and some will consider up to 90% LVR (a 10% deposit). The exemption removes the Reserve Bank cap, but banks still set their own lending policy, so it is not an automatic entitlement.

If a new build is on your radar, it is worth talking to us early. There is often more flexibility here than clients realise, and getting the deposit and finance structured correctly upfront makes a real difference.

SECTION TWO

Funding

04 The Home Loan Basics

How mortgages work and how to structure yours

A mortgage is simply a loan secured against your property. Understanding how they work will help you make better decisions and avoid costly mistakes.

How a Table Loan Works

The most common mortgage in New Zealand is a table loan. Your repayments stay the same each period, but the split between interest and principal changes over time. In the early years most of your repayment goes toward interest. As you pay down the principal, more of each repayment reduces your actual debt.

Fixed vs Floating Interest Rates

Rate Type	What It Means	Best For
Fixed rate	Locked in for a set term (e.g. 1, 2, or 3 years). Predictable repayments.	Certainty and budgeting. Protection if rates rise.
Floating rate	Moves with the market. Repayments can go up or down.	Flexibility, useful if you expect to make lump sum repayments.

Splitting Your Mortgage

Most New Zealanders split their mortgage across two or more fixed terms, for example, half on a one-year rate and half on a two-year rate. This manages interest rate risk so you are never entirely exposed to rate movements at any one time.

> **Example.** On a $600,000 mortgage, you might fix $300,000 for one year and $300,000 for two years. When the one-year portion rolls over, ***you reassess the market and choose the best available term at that point.***

The Truth About Interest Rates

There is a widely held belief that you can play banks off against each other to secure a better rate. This is largely a myth, and it is worth understanding why.

Banks operate on tiered rate structures with set criteria. If you meet the criteria for a tier, you get that rate. If you do not, you do not. Banks rarely discount beyond these tiers regardless of what a competitor is offering.

There is also a timing problem. The mortgage process takes weeks. By the time you reach the point of locking in a rate, the market may have shifted entirely. Banks are highly competitive, and at any given time the difference between lenders' rates is typically very small.

Our approach is different. We focus on finding the lender that is the right fit for your situation, based on lending policy, how they assess your income and expenses, and how well they service clients like you. ***The path of least resistance almost always delivers a better outcome than chasing a rate that may change tomorrow.***

LEM / LEP: Low Equity Margin or Premium

When your deposit is under 20% (an LVR above 80%), most lenders apply an extra charge to reflect the higher risk. Some call it a Low Equity Margin (LEM), added to your interest rate, typically 0.25% to 1.00%. Others charge a Low Equity Premium (LEP), a one-off fee added to the loan. Different names, same idea.

It is not permanent. Once you have built enough equity to bring your LVR to 80% or below, whether through repayments, a rise in value, or both, the margin can usually be removed on request or at your next refix. It is worth diarising, because lenders do not always remove it automatically.

05 Getting Pre-Approved

What it is, what you need, and how long it takes

Before you start seriously looking at properties, getting a mortgage pre-approval is one of the most important steps you can take. It tells you roughly how much you can borrow, gives you confidence when making offers, and shows vendors and agents that you are a serious buyer.

What Pre-Approval Is (and What It Isn't)

A pre-approval is an indication from a lender that, based on the information provided, they would be willing to lend you up to a certain amount. ***It is not a guarantee of lending.*** Final approval is always subject to full assessment, the property being acceptable to the lender, and your financial circumstances remaining unchanged.

Pre-approvals are typically valid for 90 days. If your search takes longer, you may need to renew it.

What Documents You Will Need

- Proof of identity, passport or driver's licence
- Proof of income, recent payslips, employment contract, or tax returns if self-employed
- Bank statements, typically the last three months
- Details of existing debts, loans, and credit cards
- Evidence of your deposit, KiwiSaver balance, savings statements, gift letter if applicable

The more organised your documents are upfront, the faster this process moves. We will guide you through exactly what is needed for your situation.

How Long It Takes

From the time we receive all your documents, preparing and submitting your application typically takes one to three working days. Lenders generally take five to ten working days to assess once submitted. Allow two to four weeks from start to finish.

> ! **Important.** ***Once you have pre-approval, do not make any significant changes to your financial situation.*** Taking on new debt, changing jobs, or making large purchases can all affect your final approval. Notify us immediately if anything changes.

> ! **Our advice: get pre-approved before you fall for a property.** It sets a real budget, strengthens your offer, and removes the guesswork. The sooner we start, the sooner you can look with confidence. Get in touch and we will get the paperwork moving.

SECTION THREE

Finding and Buying

06 Finding and Buying a Property

Due diligence, property types, and sale methods

This is the exciting part, but it is also where careful thinking and due diligence matter most. Taking the time to investigate a property properly before committing can save you from significant stress and cost down the track.

Making a Short List

Before you start viewing, get clear on the areas and features that matter to you. Split them into two lists: must-haves (the things you will not compromise on) and nice-to-haves (great, but negotiable). Doing this before you fall for a place gives you a benchmark to come back to when a listing is doing its best to sweep you off your feet.

Know the Market You Are In

Understand whether you are in a buyer's market or a seller's market. It shapes how much room you have to negotiate, how quickly you need to move, and whether conditional offers are likely to be accepted. In a hot seller's market, well-presented properties go fast and buyers are often asked to strip conditions to compete. In a slower buyer's market, sellers are more open to negotiation and to offers with conditions.

Emotions Play a Bigger Part Than Most People Realise

Buying a home is one of the more emotional decisions you will make, and that is exactly what agents and vendors count on. The best defence is preparation. The more you know about the area, recent sales, and what things are actually worth, the better your chance of finding a genuine gem and walking away from a dud. Emotion is not a bad thing, it is often what tells you a place feels right, but it should sit alongside the research, not in front of it.

Photos Are a Highlight Reel, Not the Property

Listing photos are staged and edited to show a home at its best. A place always looks different in person, sometimes better, often not. Never rely on photos alone, and view a property more than once if you are seriously interested. Different times of day, and a wet day especially, tell you different things. It is also amazing how a second or third viewing changes what you notice once the excitement of the first visit gets out of the way.

What to Watch For

Some defects are dealbreakers and some are opportunities. Two things worth taking seriously:

- **Water penetration and high moisture readings.** These often point to hidden damage and can be expensive to remediate. Do not go unconditional without a proper building report addressing them.
- **Foundation issues and other major structural work.** Same rule. Never assume, always confirm with a qualified building inspector.

Most other defects (dated kitchens, tired paintwork, an overgrown garden, older carpet, cosmetic wear) are not reasons to walk away. In many cases they are a reason to negotiate. A property that shows a bit of wear can present real value if the bones are sound.

Working With a Real Estate Agent

> ! **Remember.** A real estate agent is ***engaged by the seller*** and acts on the vendor's behalf. A good one will still be helpful and straight with you. But for independent guidance on whether a property is right for your situation, that comes from your own team: your solicitor, building inspector, and mortgage adviser.

Due Diligence, What to Get Done

Before going unconditional, complete the following. Your offer should include conditions that give you time to do this properly.

LIM Report

Issued by the local council. Contains key information about the property including consents, zoning, drainage, and any known hazards. Cost: approximately $400.

Building Inspection

A qualified inspector assesses the physical condition and identifies defects, deferred maintenance, or potential issues. Cost: $400 to $800.

Registered Valuation

Required by some lenders, particularly for higher LVR lending or unusual properties. Cost: $800 to $1,500.

Legal Review

Your solicitor reviews the sale and purchase agreement, title, and any encumbrances or easements. Engaging a solicitor before making an offer is strongly advisable.

Insurance Check

Confirm that insurance is available for the property on terms acceptable to the lender before going unconditional. Some properties can be difficult or expensive to insure.

Sale Methods

Properties in New Zealand are sold in several different ways, each with different rules around conditions and timing. Knowing which method you are dealing with matters, because it changes how much protection you can build into your offer and how quickly you need to move.

Method	Key Points
Auction	Unconditional from the moment the hammer falls. Finance, due diligence, and legal review must all be completed before auction day.
Tender	Offers submitted by a deadline. Can be conditional, but vendors often prefer unconditional offers.
Deadline Sale	Similar to tender with a set deadline. Sometimes allows earlier offers.
Fixed Price	Listed at a set price. You offer at or near that figure, and conditions can usually be included. Clear and straightforward, with less guesswork on value.
Private Treaty	Most flexible method. Offers made and negotiated directly. Conditions can be included to protect your interests.

As a first home buyer, methods that allow conditional offers (private treaty, fixed price, and often tender or deadline sale) give you room to do your due diligence with the protection of conditions. Auctions require all of that work to be done before you bid, which can mean paying for reports on properties you do not end up buying. Neither is right or wrong, but if you are relying on a finance condition, an auction is rarely the place to start.

07

Making an Offer and Settling

Conditional vs unconditional, and settlement day

Making an offer is one of the most important moments in the buying process. Understanding the difference between conditional and unconditional, and what it means to go unconditional, is critical.

Get Your Solicitor In Early

Real estate agents will often draft the offer for you and encourage you to sign, then send it to your solicitor for review. This is common practice, but it puts things in the wrong order. Your best protection is to have your solicitor look at the offer ***before*** you sign it, not after. Once an offer is signed and accepted, if there is a problem, there is very little a solicitor can do to help you. The sale and purchase agreement is a legal document and it is battle-tested, so it is important your offer is structured to be as favourable to you as possible, without putting the deal at risk.

Choosing Your Solicitor or Conveyancer

There is a difference between a **solicitor** and a **conveyancer**. Both can handle a straightforward property transaction, but a solicitor is a fully qualified lawyer and can advise you across a wider range of legal issues. A conveyancer is trained specifically in property transfers and is often more limited in scope if something non-standard comes up.

For a straightforward home purchase, we recommend using a **conveyancer**. Their fees are usually fixed, so you know the cost up front, and you are not paying for a level of legal expertise you do not need. Most conveyancers work alongside solicitors and can bring one in if a legal matter comes up that needs that depth. Talk to us if you need a recommendation. For the rest of this guide we say “solicitor” for short, and it covers a conveyancer too.

Conditional vs Unconditional Offers

A **conditional offer** means you are agreeing to buy the property, subject to certain conditions being met within a specified timeframe. Common conditions include:

- Finance approval, giving you time to obtain unconditional lending approval
- LIM report, allowing you to review the council’s information on the property
- Building inspection, giving you time to have the property assessed by a qualified inspector
- Solicitor’s approval, typically three working days for your solicitor to review the agreement

An **unconditional offer** means you are committing to buy with no conditions attached. This is common at auction, and sometimes required in competitive markets.

> **Pro tip: negotiation does not stop at the offer.** Most people think there is only one moment in the buying process to negotiate on price. That is not the case. Each condition is another opportunity. If the LIM report flags something unexpected, or the building report turns up issues that will cost you to fix, that is a strong moment to go back to the vendor and renegotiate the price before you sign the condition off. Handled well, it can be worth thousands.

Going Unconditional

Going unconditional is a significant and binding commitment. Once all conditions are satisfied, you are legally obligated to complete the purchase. There is no turning back without serious legal and financial consequences.

Before going unconditional you should have:

- Written confirmation of unconditional finance approval from your lender
- Reviewed and accepted the LIM report findings
- Reviewed the building inspection and are satisfied with the property's condition
- Received sign-off from your solicitor on the title and agreement
- Confirmed that insurance is available on the property

> ***Do not go unconditional based on verbal assurances.*** Wait for written confirmation. If you have any doubt about the property, the finance, the inspection results, or the insurance, do not go unconditional until you are certain. Once you are in, you are in.

Sort Your Insurance Before Finance Is Confirmed

Most lenders will not settle on a property without home insurance in place. This is not a formality, it is a hard requirement, and getting it sorted late can hold up settlement or, in a worst case, kill the deal on the day.

What lenders require is **full replacement cover, with the lender noted as an interested party, and no exclusions or limitations on the property.** Some properties are harder to insure than they look. Older weatherboard homes, properties in flood zones, homes with certain cladding types, or houses in high-risk earthquake or coastal areas can attract exclusions or, occasionally, be declined outright.

Our advice is to line up a quote and confirm cover is available while you are still in your finance clause. If the insurer will not offer full cover on standard terms, you want to know that early, not on settlement day when your options have run out.

Settlement Day

Settlement is the day ownership of the property transfers to you. Your solicitor handles the mechanics, coordinating the transfer of funds, signing of documents, and registration of title in your name.

- Your solicitor will confirm the settlement amount and arrange the transfer of funds
- Complete AML/KYC identity verification with your lender and solicitor before settlement
- Keys are typically released once settlement is confirmed, usually mid to late afternoon
- From settlement day, all ongoing costs of ownership become your responsibility

> **Our advice: the offer is where deals are won and lost, so slow down before you sign.** Solicitor first, conditions that protect you, insurance lined up early. If you are about to make an offer, call us. A five-minute conversation can save a costly mistake.

08 Building a New Home

How finance works when you build rather than buy

Building a new home, or buying a house and land package, works a little differently from buying an existing home, especially on the finance side. Here is what is worth knowing.

New Builds and Your Deposit

Good news first. New builds are treated more kindly by the lending rules. Because the Reserve Bank wants to encourage new housing, new builds are exempt from the usual low-deposit limits that apply to existing homes. In practice, that often means you can buy a new build with a smaller deposit, sometimes as little as 10%, with fewer of the restrictions banks face on existing homes. And if you qualify for a Kāinga Ora First Home Loan, a turn-key new build can be bought with as little as 5%.

It is worth talking through what your deposit could unlock on a new build, because the options are often better than people expect.

Turn-Key or Progress Payments

There are two main ways a build is set up, and they change how your finance works.

Turn-key: you pay a deposit up front, then nothing more until the home is finished and has passed its final inspection. Your loan is drawn down in one go at the end, and repayments start once you move in. It is the simpler option, and the most common for house and land packages.

Progress payments: with a full build contract, your loan is drawn down in stages as the build hits key milestones (foundations, framing, and so on). You pay interest only on the amount drawn so far, which keeps early costs lower, but it takes a bit more managing.

Knowing which one you are signing up for matters, because it changes your cash flow during the build and how we structure your lending.

A Few Other Things to Keep in Mind

- Builds take time. From finance to moving in can be many months, so your pre-approval and finance need to allow for that.
- Your KiwiSaver first home withdrawal can go towards a new build, the same as an existing home.
- A build contract is different from a standard sale and purchase agreement, so having your solicitor review it early is important.
- A fixed-price contract gives you certainty. If the contract is not fixed price, it is worth understanding what could change.

Buying a Section and Building on It

Some people buy a bare section and build from scratch. It can work well, but it is a bigger undertaking than a house and land package. You are effectively doing two things at once: buying the land and financing a build. Banks treat land lending differently and generally want a larger deposit for it, and a full build contract brings progress payments, consents, and more moving parts. It is doable, and we help people do it, but it needs planning. If it is something you are considering, talk to us early so we can map out what it would take.

> Building can be one of the more achievable ways into your first home, because ***the deposit rules are kinder and the home is brand new.*** If a house and land package is on your radar, come and have a chat and we will look at what is possible for your situation.

Three Questions to Ask Yourself Before You Start Looking

Whether you are buying on your own or with someone else

Answer these before you start looking. Once you have fallen for a house, the answers bend to fit it. Working through them first shapes your search, and turns something that can feel overwhelming into something focused.

1 What are your must-haves?

List everything you want in a house, then split it into must-haves and nice-to-haves. Keep the must-haves to five or fewer. If everything is a must-have then nothing is, and you will end up judging places on feel rather than on what you decided actually mattered.

2 What is the maximum you are willing to repay each month?

Not what a lender might allow. What you are comfortable paying every month, while still living the life you want. A lender may be willing to lend more than you want to take on, and the gap between those two numbers is yours to decide, not theirs. Settle on it now, while it is still an abstract number rather than a specific house.

3 Where does this home fit in your bigger plans?

Might you start or grow a family. What is happening with your work. How long do you expect to be there. Buy for the life you are heading into, not just the one you have now.

> **If you are buying with someone.** Answer all three separately first, then compare. The gaps are where the conversation is.
>
> Our favourite tip is a veto. You each get one or two to use across the whole search. If one of you vetoes a house, the other accepts it and you move on, no reason needed. It means neither of you has to argue for why a place just does not feel right.

SECTION FOUR

Wrap-up

09 Common Mistakes to Avoid

The ones we see most often

Buying your first home is a learning curve. Some of the most costly mistakes are also the most avoidable.

01 Skipping the building inspection

It feels like an easy saving when you are already stretched. But a building inspection costing $400 to $800 can uncover issues worth tens of thousands of dollars. Never skip it.

02 Going unconditional too quickly

Once you go unconditional, you are legally committed. Make sure your finance is fully approved, your LIM reviewed, your building inspection done, and your solicitor satisfied. There is no going back.

03 Underestimating the total cost

The deposit is only part of it. Legal fees, LIM reports, building inspections, valuations, moving costs, and immediate repairs can add $5,000 to $15,000 or more. Budget for these from the start.

04 Changing jobs or taking on debt before settlement

Your financial position is assessed at approval and again at settlement. Changing employers, taking on a car loan, or applying for a new credit card can jeopardise your loan. Talk to us before making any financial changes during this period.

05 Choosing a bank based on rate alone

Rate shopping feels logical, but rates may shift before you can lock in. The right bank is the one whose policy suits your situation and who will actually approve your application. We do this work for you.

06 Not engaging a solicitor early enough

Many buyers wait until they have an accepted offer. Engaging one earlier means they can review your offer before you sign, not after, which is where the real protection lies.

07 Assuming pre-approval means the property is approved

Pre-approval confirms your financial position. It does not mean every property you look at will be acceptable to the lender. Properties with unconsented work, certain construction types, or insurability issues can still be declined.

10 Your Timeline

A typical first home journey, from first conversation to keys

Every deal moves at its own pace, but most first home buyers move through the same rough sequence. Here is what a typical timeline looks like from the moment you decide to buy through to the keys in your hand.

Stage	When	What to do
Get bank-ready	Weeks 1 to 4	• Book a conversation with us to review where you sit against the three numbers (LVR, DTI, UMI) • Pull together three months of bank statements and recent payslips • Check your credit report at clearscore.co.nz, centrix.co.nz or creditworks.co.nz • Confirm your KiwiSaver balance and eligibility for a first home withdrawal • Set up a dedicated deposit savings account if you do not already have one • Engage a conveyancer early so they are ready when you need them
Get pre-approved	Weeks 4 to 6	• We workshop your position and submit to the right lender • Lender assessment typically takes 5 to 10 working days • Pre-approval is valid for 90 days once granted
Actively looking	From week 1, until your offer is accepted	• This runs alongside every other stage. Start looking from day one and keep looking until an offer is accepted, do not wait for pre-approval to begin • Attend open homes and view shortlisted properties more than once • Get a market read from us on any property you are seriously considering • Line up a building inspector so you can move fast on the right property
Offer and conditions	Typically 10 to 15 working days	• Have your solicitor review the offer ***before*** you sign • Once accepted, work through your conditions: finance, LIM, building inspection, solicitor's approval • Renegotiate on price if inspections turn up material issues • Confirm home insurance is available on the property, before finance is due • Go unconditional only once every condition is fully satisfied in writing
Settlement	10 to 20 working days after unconditional	• Solicitor completes AML/KYC identity verification with you • Sign loan documents from your lender • Solicitor confirms settlement figures and coordinates the fund transfer • On settlement day, funds move, title transfers, keys are released, usually mid to late afternoon
After settlement	Ongoing	• Set up automatic mortgage repayments from day one • Review your insurance to make sure it reflects full replacement value • Start thinking about equity and what comes next. Your first home is also your first step toward a portfolio • Stay in touch. We flag your fixed terms before they roll and can help you plan next steps

! **Our advice: the whole journey, from first conversation to keys, usually runs three to six months.** The earlier we start, the smoother it goes. Get in touch when buying becomes the goal, and we will map this timeline to your situation.

WHAT WE DO

We stay close through it all.

Buying property is never a small task. There are a lot of moving parts, and buying your first is bigger again. Our job as a mortgage broker is to be a steady hand. A sounding board, an interpreter, whatever else you need along the way. We help you organise the finance, see you through to settlement, and stay close beyond.

1

Find the right path

Banks assess income, expenses and debts differently. We look at your full financial picture, work out which lenders are likely to say yes, and compare rates, structure and serviceability across our panel.

2

Run the application

We handle it end to end. Collecting documents, submitting, following up, working through conditions, and coordinating with your solicitor. You don't have to chase the bank or wonder what is happening.

3

Sort loan structure

Getting approved is one thing, getting the right structure is another. Fixed, floating, split. We set it up so it works for where you are now and doesn't trap you later.

4

Support ongoing

We are still here for you after settlement. Rate roll-offs, top-ups, refinances, the next purchase. Whatever comes next, you won't be starting from scratch.

SECTION FIVE

Reference

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About Us

Who we are and how we work

Small team, by design.

We're a husband and wife team based in Kerikeri, Northland, working with clients right across New Zealand. Staying small is deliberate. It lets us stay close to every deal, understand the full picture, and step in early when something needs attention.

Our focus is on the right outcome for your situation. We look at every deal in full, find the lender whose appetite fits, and manage the process properly through every stage so things keep moving. We take care with our work, because we love what we do.

Cody Subritzky

Mortgage broker / Property financing specialist

Cody is the sole mortgage broker at CSMB, so he's the person you'll work with from the first conversation right through to settlement. He's FAP-licensed, with 15 years across financial services and a background in sales and negotiation. His style is direct and easy to deal with: he gets to the point fast, but takes the time to explain his thinking, so you'll understand the why, not just the what. He's also a natural problem solver, especially with deals that don't fit the standard mould: self-employed income, non-standard situations, bank declines. He'll look at every angle and give you a straight answer on what's possible.

Melika Subritzky

Marketing & operations

Melika runs brand, marketing, and the operations behind CSMB. Think social media, blog content, campaigns, and the systems that keep the practice ticking. She's the reason the brand feels considered and the practice runs smoothly. Clients won't deal with her directly, but they'll feel her work in how things are communicated, how the business is presented, and how nothing falls through the cracks.

How we work

We look at the bigger picture.

Lending is only one part of the property picture, not the whole thing. We look at how each deal fits into where you are now and where you want to be.

We're problem solvers.

Cody is a natural problem solver. He looks at every angle of a deal, especially the tricky ones. Straightforward or complex, we'll work through it with you.

You won't chase us for answers.

Most deals stall because communication stalls. Cody runs a zero-inbox workflow, so answers come back fast, and you'll always know where things stand.

Start with a Conversation.

Tell us where you are and what you want to do, and we'll come back to you on whether we can help and what the path looks like.

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Frequently Asked Questions

Straight answers to the questions we hear most

DEPOSIT, COSTS AND TIMING

How much deposit do I actually need?

The minimum deposit for most first home buyers is 5%, provided you are eligible for the First Home Loan scheme through Kāinga Ora. Outside of this scheme, most lenders require a 20% deposit for a standard loan. That said, many buyers do get in with less than 20%, sometimes around 10% under the Reserve Bank's low-deposit lending rules, so it is worth checking what might be possible for you. At 20% or more, you access better interest rates, avoid low equity premiums, and have more lender options. Your deposit can come from savings, KiwiSaver, and in some cases gifted funds from family.

Can I use my KiwiSaver to buy my first home?

Yes. If you have been a KiwiSaver member for at least three years, you can withdraw most of your balance toward your deposit. You must leave a minimum of $1,000 in your account. The withdrawal includes your contributions and your employer's contributions. Apply through your KiwiSaver provider at least 4 to 6 weeks before your settlement date.

How much can I borrow?

There is no single number. It depends on your income, your regular expenses, your deposit and any existing debts, and lenders weigh those differently, which is why two banks can land on quite different figures for the same person. Rather than guess from an online calculator, we look at your full picture and work out a realistic range with you.

What costs are involved beyond the deposit?

Budget for: legal fees (approximately $2,500), LIM report (approximately $400), building inspection ($400–$800), registered valuation if required ($800–$1,500), and moving costs. These costs are payable regardless of whether the purchase proceeds, so factor them into your budget from the start.

How long does the mortgage process take?

From initial conversation to settlement, the full process typically takes 6 to 9 weeks: document collection (1–2 weeks), application preparation (1–3 working days), lender assessment (5–10 working days), conditional through to unconditional approval (several days to a few weeks), and unconditional through to settlement (1–3 weeks). Starting the process early gives you the best chance of a smooth settlement.

APPROVAL AND YOUR BROKER

What is pre-approval and do I need it?

Pre-approval is an indicative confirmation from a lender that they are willing to lend you up to a certain amount, based on your financial position. It is not a guarantee. It remains subject to full assessment and the property being acceptable to the lender. While not legally required, it is strongly recommended before you start making offers.

Why use a broker instead of going straight to my bank?

Your bank can only offer its own products. We work across a panel of lenders, banks and non-banks, and match you to the one most likely to suit your situation. We also know each lender's current appetite, which changes more often than most people realise. And we handle the application work you would otherwise be doing yourself.

Does it cost to use a mortgage broker?

For first home buyers, we are paid a commission by the lender when your loan settles. In most cases there is no direct fee from us. Our Financial Disclosure Statement outlines the rare instances where a fee may apply.

Do you shop around to get us the best rate?

Not the way most people picture it. A good broker will not send your application to every bank at once.

Every submission is recorded on your credit file, and banks put their resources behind the brokers whose deals actually settle. So we do the work up front, weigh up your options with lenders before anything is submitted, and go to the one most likely to support your situation. If something unexpected comes up, we still have others to approach.

Can a broker help if my bank said no?

Often, yes. A decline from one bank does not mean every lender will say no. In our experience most declines come down to how the application was shaped and presented, and sometimes simply timing. We will look at why it happened, work through anything that needs tidying up first, and go back in with a lender more likely to suit your situation.

Can you help if I am self-employed?

Yes, it is a big part of what we do. If your income comes from a business, contracting, or several sources rather than a simple salary, lenders assess it differently and some are far more comfortable with it than others. We know what each one wants to see and how to present your income clearly.

What is a LIM report and do I need one?

A LIM (Land Information Memorandum) is a report prepared by your local council that summarises all the information they hold about a property, including building consents, zoning, drainage, flood risk, and any issues on record. We strongly recommend getting a LIM on any property you are seriously considering. It can reveal issues not visible during a standard inspection, and some issues can affect your ability to get insurance or finance.

What is a building inspection and is it worth it?

A building inspection is carried out by a qualified inspector who physically assesses the condition of the property, leaks, rot, structural issues, unconsented work, and hazardous materials such as asbestos. Yes, it is absolutely worth it. Discovering a significant defect after going unconditional, or after settlement, can cost tens of thousands of dollars.

What does conditional and unconditional mean?

A conditional offer means your agreement to purchase is subject to certain conditions being met. If the conditions are not met within the agreed timeframe, you can withdraw from the agreement. Going unconditional means all conditions have been satisfied and you are legally committed to buying the property. Never go unconditional without written finance approval and advice from your solicitor.

Can I make extra repayments on my mortgage?

It depends on your loan structure. Fixed rate loans typically restrict extra repayments or charge a break fee for doing so. Floating rate loans generally allow unlimited extra repayments. If paying your mortgage off faster is a priority for you, discuss this when structuring your loan. It will influence how your mortgage is set up from day one.

Do I need a solicitor or conveyancer?

Yes. Someone legally qualified has to handle the transfer: reviewing the sale and purchase agreement, carrying out title searches, liaising with your lender on loan documents, and moving the funds and ownership on settlement day. For a straightforward purchase a conveyancer is usually the better fit, with fixed fees and access to a solicitor if a legal issue comes up. We strongly recommend engaging one before you make any formal offers.

When is the best time to get in touch?

The best time is when you decide buying is your next goal. An early conversation can shorten the gap between thinking about owning a home and actually getting there. It also helps you understand what a bank looks at when it assesses a home loan, so you can move with more confidence. There are a lot of moving parts to getting approved and buying, so talking early lets us get a clear picture of where you are, help you narrow down your next step or steps, point out what you are doing well and what needs a bit more attention, fill any knowledge gaps, and be a sounding board for your ideas.

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Glossary

Straightforward explanations of key terms

AML / KYC

Anti-Money Laundering / Know Your Customer. Identity verification required by lenders and solicitors before settlement can occur. You will need to provide photo ID and proof of address.

Building Inspection

An inspection carried out by a qualified building inspector to identify defects, damage, or unconsented work. Provides an independent assessment of the property's physical condition.

Conditional Offer

An offer to purchase a property that is subject to certain conditions being met, such as finance approval, a satisfactory LIM report, or a building inspection. You can withdraw from the agreement if conditions are not satisfied within the agreed timeframe.

DTI (Debt-to-Income Ratio)

A measure lenders use to assess borrowing risk. Since July 2024, most New Zealand lenders can lend no more than 6 times your gross annual income for owner-occupied purchases. Kāinga Ora First Home Loans are exempt from this restriction.

Due Diligence

The process of thoroughly investigating a property before committing to purchase. Includes reviewing the LIM report, building inspection, title, insurance availability, and any other property-specific issues.

Fixed Interest Rate

An interest rate that is locked in for a set period (e.g. 1, 2, or 5 years). Your repayments stay the same during the fixed term, giving you certainty and predictability.

Floating Interest Rate

An interest rate that can move up or down at any time in line with market conditions. Floating rates typically allow extra repayments and lump sum payments without penalty.

First Home Loan

A Kāinga Ora scheme that allows eligible buyers to purchase with as little as a 5% deposit. Subject to income caps (currently $95,000 single / $150,000 combined) and lender participation. Exempt from standard LVR and DTI restrictions.

KiwiSaver First Home Withdrawal

Allows eligible first home buyers to withdraw their KiwiSaver contributions (and employer contributions) to put towards a deposit. Must have been a KiwiSaver member for at least three years and leave a minimum balance of $1,000. Apply at least 4–6 weeks before settlement.

LIM Report

A report from your local council summarising all the information they hold about a property, including consents, zoning, flood risk, drainage, and any issues on record. A must-have before purchasing.

Low Equity Premium / Margin

An additional interest rate margin charged by lenders on mortgages above 80% LVR, typically 0.25% to 1.00% added to your interest rate. This applies until you have built enough equity to refinance at a standard rate.

LVR (Loan-to-Value Ratio)

The percentage of the property's value that you are borrowing. A lower LVR generally means better interest rates and fewer lender restrictions.

Pre-Approval

An indicative approval from a lender confirming they are willing to lend up to a certain amount, subject to finding a suitable property. Not a guarantee of lending. Remains subject to full assessment and property acceptability.

Registered Valuation

An assessment of the property's market value carried out by a registered valuer. Required by some lenders, particularly for higher LVR lending or non-standard properties.

Revolving Credit

A mortgage that works like an overdraft. Your salary is deposited directly into the account, reducing your balance and the interest you pay. Suits disciplined borrowers who want flexibility.

Serviceability Buffer

The additional interest rate margin lenders use when testing whether you can afford your mortgage. Designed to ensure you can still repay if rates rise.

Settlement

The final stage of the property purchase. Your solicitor transfers the purchase funds to the vendor's solicitor and ownership of the property is formally transferred to you. Settlement day is the day you get the keys.

Solicitor's Approval Clause

A condition in a sale and purchase agreement that gives your solicitor a short window (typically three working days) to review the agreement after it has been accepted.

Table Loan

The most common mortgage structure in New Zealand. Regular repayments cover both principal and interest. Repayments stay the same throughout the term, though in the early years most of your payment covers interest.

Unconditional Offer

An offer with no conditions attached, or where all conditions have been satisfied. Once unconditional, you are legally committed to purchasing the property.

Important Disclosure

This guide is intended to provide a high-level overview of what to expect when buying a property in New Zealand. The information is general in nature only and does not constitute personalised legal, financial, tax, or property advice.

No representation or warranty is given that the process, steps, or timeframes outlined will apply to every transaction. The actual process may vary due to lender requirements, third-party involvement, property-specific issues, market conditions, or individual circumstances. We are not responsible for any loss, delay, or outcome where information is incomplete, inaccurate, changed, or inadvertently missed. You must rely on your own enquiries and obtain independent professional advice before making any decisions or entering into any binding agreement.

Our role is limited to assisting with the arrangement of lending. We do not provide legal, tax, accounting, property condition, or valuation advice. Always seek independent legal, financial, tax, and property advice from professionals qualified to provide it before committing to a purchase.

For budgeting and repayment tools, we recommend visiting sorted.co.nz.

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Notes

Questions, numbers and things to come back to

CODY SUBRITZKY
Mortgage Brokers

Start with a conversation.

Every situation is different. We will look at yours properly, then tell you where things stand and what the next step looks like. It does not matter whether you are just starting to think about it or you have already found a place you love.

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