

THE HOMEBUYER'S ROADMAP



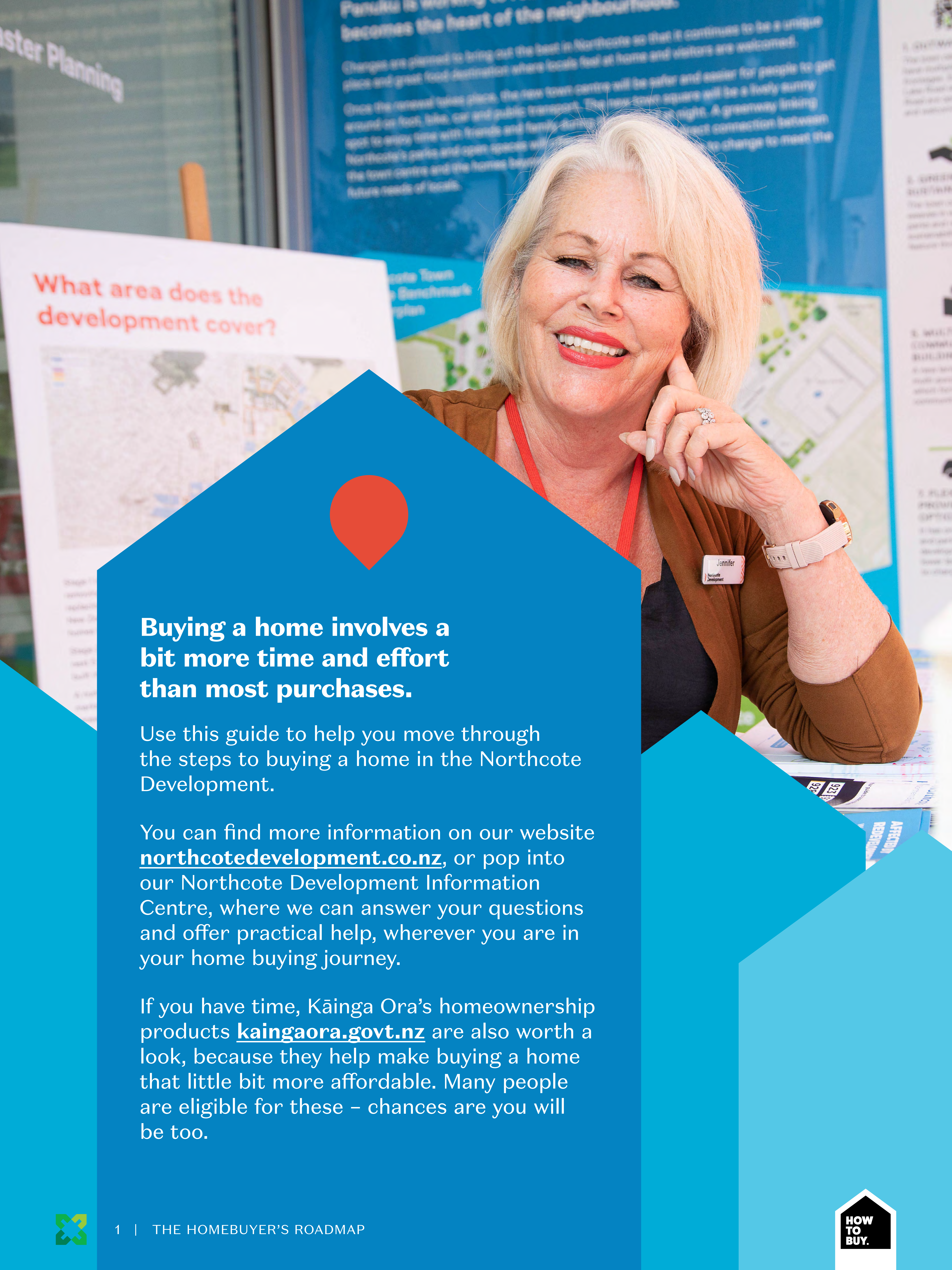
**Northcote
Development**

Close to the heart



Kāinga Ora
Homes and Communities

**HOW
TO
BUY.**



What area does the development cover?



Buying a home involves a bit more time and effort than most purchases.

Use this guide to help you move through the steps to buying a home in the Northcote Development.

You can find more information on our website northcotedevelopment.co.nz, or pop into our Northcote Development Information Centre, where we can answer your questions and offer practical help, wherever you are in your home buying journey.

If you have time, Kāinga Ora's homeownership products kaingaora.govt.nz are also worth a look, because they help make buying a home that little bit more affordable. Many people are eligible for these – chances are you will be too.



THE HOMEBUYER'S ROADMAP

1.

**WORK OUT HOW
MUCH CAN YOU
SPEND**

2.

FIND A HOME

3.

MAKE AN OFFER

4.

**THE HOME
STRETCH**





STEP 1

**WORK
OUT HOW
MUCH
CAN YOU
SPEND**



STEP 1

The first step in your home buying journey is to figure out how much you could afford to spend by taking a look at your financial picture.

Many people can access Kāinga Ora's financial products to make buying a home easier. Check whether you're eligible for **KiwiBuild**, a **KiwiSaver withdrawal**, **First Home Loan** or **First Home Grant**. There's an easy way to check your eligibility – it's called the **Kāinga Ora Decision Tool**.

Visit a lender (bank or mortgage broker) and find out how much you could borrow. Talk to them about getting pre-approval for a home loan.

If you're eligible, apply for **KiwiBuild** pre approval and start the application process for a **KiwiSaver withdrawal**, the **First Home Loan** and **First Home Grant**.

TIP:

Do a budget and work out how much you could afford to spend on a mortgage, rates, home insurance and repairs and maintenance each month. If you need help with this, visit **Sorted.co.nz**.





STEP 2

FIND A HOME



STEP 2

Once you know how much you can spend, you can start having a look at the homes for sale. Many of these will be 'selling off the plan', meaning they are not built yet.

Sign up at northcotedevelopment.co.nz to get emails about the new property releases.

Visit the information centre and ask about the homes available for sale. Ask to see the price list. You can also find the pricelist on our website.

Go to the building companies' show homes or display suites and ask lots of questions.

Go to the [KiwiBuild website](#) to see homes available and subscribe to the newsletter.

Choose and talk to a solicitor so that when you are ready to make an offer your solicitor can check the contract.

TIP:

Write a list of your 'needs' and 'wants' for your new home. Needs are your 'must haves' and wants are the things you would compromise on if you had to.





STEP 3

MAKE AN OFFER



STEP 3

When you've found a property that's right for you, it's time to make an offer to the building company or their agent. Your solicitor can help you at this stage.

Share the property's information with your lender and confirm your loan.

Know whether you are making a **conditional** offer (subject to conditions such as your loan being approved) or an **unconditional** offer where once the seller signs you've committed to buying the home.

Put your offer in writing on a 'Sale and Purchase Agreement', including any conditions you have. The building company or their agent will help you do this.

Show the 'Sale and Purchase Agreement' to your solicitor and get advice **before you sign** the agreement.

When negotiations are completed and your offer is accepted by the seller, pay the purchase deposit.

TIP:

If you are buying through KiwiBuild go to the KiwiBuild website and make sure you understand the buying process. It's a bit different, for example, the home's price is fixed and you'll need to make a conditional offer then complete the application process with KiwiBuild. You may need to enter a ballot for the opportunity to buy the home you want. (You need KiwiBuild pre-approval to enter a ballot).



STEP 4

THE HOME STRETCH



STEP 4

Once your offer is accepted there are some important things you need to do so that ownership of the home can move to you.

Before settlement day:

- Get your home insured – your lender will require this.
- Do a pre-settlement inspection of your new home.
- Visit your solicitor to sign the papers required for the settlement to go ahead.

On settlement day:

- Wait for the solicitor to communicate with the seller's lawyer and your bank and complete the paperwork to transfer ownership of the home to you.

Collect the keys to your new home.

TIP:

Your solicitor will confirm the finance arrangements with your lender and other parties like Kāinga Ora or KiwiSaver. Stay in touch and follow their instructions so your settlement can proceed smoothly.



USEFUL WEBSITES

There's so much info online about how to buy a home that it can be confusing. We've picked out some of the most useful websites for you.

[Kāingaora.govt.nz](https://www.kiwi.govt.nz/)

Everything you need to know about Kāinga Ora's homeownership products, including the First Home Grant, First Home Loan and KiwiSaver Withdrawal.

[KiwiBuild.govt.nz](https://www.kiwi.govt.nz/kiwibuild/)

Check if you're eligible for KiwiBuild, see the homes for sale and read about the KiwiBuild buying process.

[Lawsociety.org.nz](https://www.lawsociety.org.nz/)

Provides a list of recommended lawyers in your area.

[Northcotedevelopment.co.nz](https://www.northcotedevelopment.co.nz/)

The Northcote Development website has information on homes for sale and a 'How to Buy' page.

[Moneytalks.co.nz](https://www.moneytalks.co.nz/)

Free and confidential budgeting advice.

[Oneroof.co.nz](https://www.oneroof.co.nz/)

See homes for sale in the areas you are interested in.

[Settled.co.nz](https://www.settled.co.nz/)

Information on buying a home, including a section just for first home buyers.

[Sorted.co.nz](https://www.sorted.co.nz/)

Helps you prepare for homeownership. Information on budgeting, saving, investing and KiwiSaver.

[Squirrel.co.nz](https://www.squirrel.co.nz/)

Online access to mortgage advisers and brokers. Lots of advice and information provided for free.



HOMEBUYER'S GLOSSARY

If you're a first homebuyer you may come across some words you haven't heard before as you go through the buying process. Here is a list of some of the words that are commonly used in the world of real estate and their meanings.

BODY CORPORATE

An administrative body made up of all the owners within a group of units or apartments. The owners elect a committee, which handles the administration and maintenance of the site.

CERTIFICATE OF TITLE (TITLE)

The Title is a legal document that identifies the owners of the property and key facts about the property.

CHATTELS

Chattels are moveable and removable items of personal property. In real estate transactions, chattels included in the sale include items like the stove, television aerial, carpets, blinds, curtains, drapes and light fittings. Only the chattels listed in a sale and purchase agreement are included in a property sale.

COMMISSION

Real estate agents are usually paid a commission by the seller when a property sells. The commission is the agent's fee for selling the property, and it is detailed in the agency agreement the seller signs with the agent. Commission rates vary and can be negotiated.

CONDITIONAL OFFER

An offer to buy a property subject to stated conditions being met.

COVENANT

Any terms, conditions and restrictions regarding the use of the property that are noted on the Title. A covenant may affect future plans or resale for the property.

EASEMENT

The right to use land belonging to another, for example, a water authority may have an access easement across part of a property.

EQUITY

Equity is the difference between the market value of a property and the amount owed on the mortgage. The equity is the money received after paying off the mortgage if the property is sold.

FREEHOLD (OR FEE SIMPLE)

The exclusive ownership of the land and any associated buildings, subject to any interests registered on the title.



HOMEBUYER'S GLOSSARY

GOVERNMENT VALUE (GV)

The is a value used to calculate local body rates and is now known as rateable value (RV).

GUARANTOR

A person who agrees to pay a loan or a portion of the unpaid principal balance in case of default by the borrower.

INTEREST

A fee charged for borrowing money.

LIM (LAND INFORMATION MEMORANDUM)

A LIM is a report that contains all the relevant information the Council knows about a property or section. It includes information about issues with drainage and plumbing, erosion or permits and any unpaid rates.

LISTING AGENT

The real estate agent licensed under the Real Estate Agents Act 2008 who is the seller's point of contact with the agency. They act on behalf of the seller to market and sell the property.

LISTING AGREEMENT

A written contract between a vendor (seller) and an agent, authorising the agent to perform services for the owner (also known as an agency agreement).

LVR (LOAN TO VALUE RATIO)

The amount of a loan financed as a proportion of the property value expressed as a percentage.

MORTGAGE BROKER

An individual or company that brings borrowers and lenders together. Mortgage brokers typically require a fee or a commission for their services, which is usually paid by the lender.

MORTGAGEE

The lender in a mortgage agreement.

MORTGAGOR

The borrower in a mortgage agreement.

OFF THE PLAN

To purchase a property before a structure or dwelling is built on the site, after having only seen the plans.

OFFER

A proposal to purchase a property. To make an offer, the agent will usually draw up a sale and purchase agreement and ask the buyer to sign it. The offer can be made subject to certain conditions, such as finance, the sale of a current property or a satisfactory building report.

PRINCIPAL

For a mortgage, the principal is the loan amount borrowed or still to be repaid or the part of the monthly payment that reduces the balance of the mortgage.

PRIVATE TREATY SALE

The sale of property through a real estate agent by negotiation.



HOMEBUYER'S GLOSSARY

RV (RATEABLE VALUE)

The is a value used to calculate local body rates, formerly known as government value or GV. The RV is not the market value for a property, because it may be several years old and may not reflect local market changes and any recent renovations to a property.

REAL ESTATE AUTHORITY (REA)

The government regulator of the New Zealand real estate industry.

REAL ESTATE INSTITUTE OF NEW ZEALAND (REINZ)

A membership organisation that represents real estate agents throughout New Zealand.

RESOURCE CONSENT

A resource consent is required when a group or individual carry out an activity or development on a property that is not permitted by the district or regional plans. Resource consents relate directly to the rules set out in the district or regional plans and the Resource Management Act 1991 and are different to building consents.

RIGHT OF WAY

The legal right to access or cross another property by a specific route.

SALE AND PURCHASE AGREEMENT

A legally binding contract between the buyer and seller for the sale and purchase of a property. The agreement sets out all the agreed terms and conditions in writing.

SETTLEMENT

The end goal in a property transaction when the sale and purchase is completed by the exchange of property and payment.

SURVEY PLAN

A drawing or map showing the precise legal boundaries of a property, the location of improvements, easements, rights of way, encroachments, and other physical features. When a subdivision is completed, a survey plan will become a deposited plan and will become part of the certificate of title for the property.

TITLE

A title provides information about a property's ownership, boundary and access. This information is held by Land Information New Zealand (LINZ).

TRUST ACCOUNT

A bank account administered by a law firm or real estate agency to hold funds on behalf of others. When a buyer pays a deposit, it is held in a trust account by the real estate agent until the sale and purchase agreement becomes unconditional.

UNCONDITIONAL AGREEMENT

Where a buyer and seller agree to buy and sell a property without including any conditions. A conditional sale becomes unconditional when all conditions are met.

UNCONDITIONAL OFFER

When a buyer offers to buy a property without attaching any conditions to the sale.



HOMEBUYER'S GLOSSARY

UNIT TITLE (STRATUM ESTATE)

The title to a unit or lot on a plan of subdivision associated with townhouses, units and blocks of flats and based on the horizontal and vertical subdivision of air space. Owners have a certificate of title, are absolute owners of a freehold flat and have an undivided share of the common property.

UTILITIES

Private or public service facilities such as gas, electricity, telephone, water and sewer that are provided as part of the development of the land.

VALUATION REPORT

An estimate of a property's worth on the current market, which can be provided by a registered valuer.

VALUER

A person qualified by education, training, and experience to estimate the value of a property.

VENDOR

The person or entity legally authorised to sell a property.

ZONING

Local authority guidelines that indicate the permitted use of land.

With thanks to the Real Estate Authority. See their larger glossary at [rea.govt.nz/glossary](https://www.rea.govt.nz/glossary)



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