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The First Home Buyer Roadmap

From first savings to settlement day. The full NZ process, explained in plain English.

Finance explained. Decisions, supported.

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THE JOURNEY AT A GLANCE

Eight steps from renting to owning

Buying a first home in New Zealand follows a predictable sequence. Most of the stress people feel comes from doing the steps out of order, or not knowing which one comes next. Here is the whole journey. The rest of this guide walks through each step in detail.

1 **Get finance ready**
Clean up accounts, reduce debt, build savings habits. Start 6 to 12 months out.

2 **Build your deposit**
KiwiSaver, savings, family help, and the 5% First Home Loan pathway.

3 **Get pre-approved**
Know your real budget before you fall in love with a house.

4 **House hunt**
Open homes, research, and understanding how each sale method works.

5 **Make an offer**
Conditional where possible. Auctions need everything done first.

6 **Due diligence**
LIM report, builder's report, title review. Your solicitor earns their fee here.

7 **Go unconditional**
Confirm finance, pay the deposit, trigger your KiwiSaver withdrawal.

8 **Settle and move in**
Final inspection, funds transfer, keys.

One thing before you start

The First Home Grant closed in May 2024. If a friend or an older article mentions a government cash grant of up to $10,000, that scheme no longer exists. The tools that still work, and work well, are your KiwiSaver, the First Home Loan, and family support. This guide covers all three.

STEP 1

Get finance ready

Lenders read your last three to six months of bank statements like a character reference. What they see there matters as much as your income. Start this step well before you apply.

Clean up your account conduct

- No unarranged overdrafts, dishonoured payments, or missed direct debits. One slip can be explained. A pattern cannot.
- Reduce or close buy-now-pay-later accounts. Lenders treat Afterpay and friends as a signal, not a convenience.
- Gambling transactions, even small regular ones, raise questions. Give yourself a clean run of statements.
- Show a consistent savings pattern. A regular automatic transfer beats an irregular lump.

Deal with debt before it deals with you

Since July 2024, banks work under debt-to-income rules set by the Reserve Bank. For owner-occupiers, total debt above six times gross household income is classed as high-DTI, and banks can only do a limited amount of that lending. Two details catch people out:

- Credit card limits count, not balances. A $10,000 limit you never use is still treated as debt capacity. Cutting the limit or closing the card can add tens of thousands to your borrowing power.
- All debt counts. Car loans, personal loans, and student loans all reduce the mortgage you can carry. Paying off a $9,000 car loan often does more for your application than another $9,000 of deposit.

A quick worked example

A couple earning $130,000 combined, with a $10,000 car loan, sits under a practical borrowing ceiling of around $770,000 before hitting the high-DTI threshold: six times $130,000 is $780,000, minus the $10,000 loan. Clear the car loan and the ceiling moves back to $780,000, and the application looks cleaner too. Banks still run their own affordability tests on top, so treat the DTI figure as an upper bound, not a promise.

Check your credit file. It’s free.

Request your credit report from Centrix, Equifax, and illion before a lender does. Errors are more common than you’d think, and a default you didn’t know about is much easier to fix months before an application than mid-way through one.

STEP 2

Build your deposit: KiwiSaver

For most first home buyers, KiwiSaver is the biggest single deposit source. The rules are specific, and the timing rules trip people up more than the eligibility rules.

Who can withdraw

- You've been a KiwiSaver member for at least three years. Membership time counts, not contribution time.
- You're buying your first home, or you qualify as a previous owner now in a similar financial position to a first home buyer. Kāinga Ora assesses that second-chance category.
- You intend to live in the property. Investment purchases don't qualify.
- You haven't made a first home withdrawal before. You only ever get one.

What you can take out

Almost everything: your contributions, employer contributions, government contributions, and investment returns. You must leave $1,000 in the account, and any funds transferred from an Australian super scheme stay put. There is no cap on the withdrawal amount.

How the process actually runs

- Apply through your KiwiSaver provider, not IRD and not Kāinga Ora. Previous homeowners need a Kāinga Ora eligibility determination first.
- Start four to six weeks before settlement. The application includes a statutory declaration witnessed by a JP or lawyer, and providers need processing time.
- The money never touches your account. It's paid directly to your solicitor's trust account, and your solicitor applies it to the deposit or settlement.
- You can use it while the offer is still conditional. You don't have to wait for the agreement to go unconditional to apply.

Do this early: get your eligibility letter

Ask your provider for KiwiSaver first home withdrawal pre-approval or an eligibility confirmation before you start making offers. Auction purchases in particular leave no room for a paperwork surprise, because an auction win is unconditional on the spot.

Two 2026 changes worth knowing. Default contribution rates rose from 3% to 3.5% in April 2026, which quietly accelerates deposit building. And rule changes are in progress for workers in service tenancies, like farm workers and rural teachers, to withdraw for a home they don't immediately live in. If that's you, ask us for the current status.

STEP 2, CONTINUED

The 5% deposit pathway and family help

The First Home Loan

Most banks want a 20% deposit. The First Home Loan, underwritten by Kāinga Ora, lets eligible buyers purchase with 5%. The government guarantee sits behind the lender, which is what lets them approve lending outside their normal low-deposit limits.

- Income caps apply: $95,000 before tax for a single buyer with no dependants, $150,000 for a single buyer with dependants or for two or more buyers combined, measured over the last 12 months.
- No house price caps. Price caps were removed in 2022. Old articles quoting regional caps are out of date.
- There is a cost: a 1.2% Lender's Mortgage Insurance premium applies on the loan amount. On a $500,000 loan that's $6,000, usually added to the loan.
- Only some lenders offer it. The big banks mostly don't. Participating lenders are a mix of one major bank and several smaller institutions, which is exactly where an adviser who works across the panel earns their keep.
- Owner-occupied only, and the property needs to be under one hectare.

Useful detail: First Home Loans are exempt from the Reserve Bank's LVR and DTI speed limits. The lender still runs full affordability checks, but your application isn't competing for a bank's scarce low-deposit quota.

Family help: gift or guarantee

Family support comes in two very different shapes, and lenders treat them very differently.

- A gift is money given with no repayment expected. Lenders want a signed gifting declaration confirming that. Gifted funds can form part or all of your deposit contribution.
- A family guarantee uses equity in your parents' property as security instead of cash. It can close a deposit gap entirely, but it puts their home partially on the line and the structure varies a lot between banks. This is a sit-down-with-an-adviser decision, not a form-filling exercise.

Stacking the tools

These pathways combine. A couple with $28,000 of KiwiSaver between them, $8,000 of savings and incomes under the cap could buy a $650,000 home through the First Home Loan with a $32,500 deposit and a small buffer left for costs. The right combination depends on your numbers, which is a conversation, not a formula.

STEP 3

Get pre-approved

Pre-approval is a lender's written confirmation of how much they'll lend you, subject to finding an acceptable property. Hunt without it and you're guessing your budget. Worse, you can't bid at auction with confidence, and you can't move quickly when the right place appears.

What lenders will ask for

Identity	Passport or driver licence, proof of address.
Income	Last three payslips and an IRD summary. Self-employed buyers need two years of financial statements, which is a different conversation. Talk to us early if that's you.
Accounts	Three to six months of statements for every account, including credit cards and BNPL.
Deposit	Evidence of savings, a KiwiSaver balance and eligibility confirmation, gifting declarations if family is contributing.
Debts	Statements for any loans, plus credit card limits.

Read the fine print on your pre-approval

- Pre-approvals typically last 60 to 90 days and can usually be renewed with updated documents.
- They're often conditional on the property itself: a registered valuation, or exclusions for certain property types like small apartments or monolithic-clad homes.
- A pre-approval is not a rate lock. Rates are set when the loan documents are issued.

Why go through an adviser rather than one bank

One bank can only say yes or no to its own policy. Advisers work across multiple lenders whose policies differ on the exact points that decide first home applications: how they treat boarder income, secondments, probation periods, student loans, and small deposits. The application goes to the lender most likely to say yes, first. Our service costs you nothing; lenders pay the adviser on settlement.

House hunting and making an offer

How you offer depends entirely on how the property is being sold. Each method carries different risk, and the differences matter most for first home buyers because conditions are your safety net.

Negotiation (advertised price or by negotiation)

You submit a written offer through the agent with the conditions you need: finance, builder's report, LIM, solicitor's approval of title. The vendor accepts, declines, or counters. This is the friendliest format for first home buyers because your protections travel with the offer.

Deadline sale or tender

All offers arrive by a set date and the vendor picks. You usually get one shot, so lead with a strong price and the fewest conditions you can genuinely live with. Fewer conditions make an offer more attractive, but never drop the ones protecting you from a bad building or bad title.

Auction

The hammer falls and the contract is unconditional. Immediately. That means every check happens before auction day: finance approved for that specific property, builder's report done, LIM read, title reviewed by your solicitor, deposit funds ready to pay that day. You spend money on due diligence with no guarantee of winning. Budget for the possibility of doing this two or three times.

Standard conditions worth understanding

- Finance condition: usually 10 to 15 working days to confirm your lending. This converts a pre-approval into an unconditional approval for the specific property.
- Builder's report condition: the right to withdraw if a professional inspection finds significant issues.
- LIM condition: time to order and review the council's file on the property.
- Due diligence condition: a broad catch-all, more common in tenders. Vendors dislike it because it's effectively an option to walk away.

> **Use our Open Home Inspection Checklist**
>
> Our companion checklist covers what to look for at every open home, the red flags that justify walking away, and the questions agents hope you won't ask. Download it from crispfinancial.co.nz.

STEP 6

Due diligence: LIM, builder, title

This is the step that protects the largest purchase of your life. It costs real money, typically $1,500 to $3,000 across the checks below, and it is the best-value spend in the whole process.

Engage a solicitor before you sign anything

Your lawyer reviews the sale and purchase agreement before you sign, checks the title for covenants, easements and cross-lease complications, reviews the LIM, handles your KiwiSaver funds, and manages settlement. Property conveyancing typically runs $1,500 to $2,500. Choose someone who does property work daily, and get them involved at offer stage, not settlement stage.

The LIM report

A Land Information Memorandum is the council's file on the property: consents, code compliance certificates, known flooding or erosion risk, rates, and drainage plans. It costs roughly $300 to $500 depending on the council and takes up to 10 working days. What you're looking for:

- Work done without consent, or consented work with no code compliance certificate. Both become your problem after settlement, and both can affect insurance and future lending.
- Flood zones, overland flow paths, and natural hazard notations. Insurers read these too, and insurance availability is a lending condition.
- Anything that contradicts what the agent told you. The LIM is the record; the listing is marketing.

The builder's report

A pre-purchase inspection by a qualified building inspector, ideally one carrying professional indemnity insurance and working to the NZS 4306 standard. Expect $500 to $900. Non-invasive moisture testing matters most on homes built between the mid-1990s and mid-2000s with monolithic cladding, the leaky building era. A verbal chat with the inspector after the written report is worth more than the report alone. Ask: would you buy this house?

Insurance is part of due diligence

Get an insurance quote before going unconditional. Lenders require insurance from settlement day, and some properties, coastal, flood-prone, or with unconsented work, are hard or expensive to insure. Finding that out after you're unconditional is too late.

STEPS 7 AND 8

Going unconditional and settling

Confirming finance and paying the deposit

Once your checks come back clean, your solicitor confirms each condition with the vendor's solicitor. When the last condition is confirmed, the contract is unconditional and you are legally committed. The purchase deposit, commonly 5% to 10% of the price, is usually payable at this point and typically sits with the real estate agency's trust account until settlement.

The KiwiSaver timing sequence

If your KiwiSaver forms part of the purchase deposit or settlement funds, the sequence matters. Application to your provider four to six weeks before settlement. Statutory declaration witnessed. Solicitor provides the letter of undertaking. Funds arrive in the solicitor's trust account before the day they're needed. Your solicitor coordinates this, but only if they know your intentions early. Tell them at engagement, not at confirmation.

Settlement day

- Do the pre-settlement inspection a day or two before. You're checking the property is in the same condition as when you signed, chattels are present and working, and any agreed repairs are done.
- Your bank pays the loan funds to your solicitor, who combines them with your deposit funds and pays the vendor's solicitor. Once confirmed, the title transfers and you get the keys. Usually early afternoon.
- Sort power, internet, and contents insurance before the day. House insurance must already be active.

Budget for the costs beyond the deposit

Item	Typical range
Solicitor / conveyancing	$1,500 – $2,500
Builder's report	$500 – $900
LIM report	$300 – $500
Registered valuation (if lender requires)	$800 – $1,200
First Home Loan LMI premium (if using)	1.2% of loan amount
Moving costs	$500 – $2,000
Immediate repairs, appliances, curtains	Highly variable. Have a buffer.

A practical rule: keep $5,000 to $8,000 aside on top of your deposit. Buyers who spend every last dollar getting in tend to have a rough first six months.

BEFORE YOU GO

The five mistakes we see most

House hunting before pre-approval

You anchor on homes you can't fund, then everything in budget disappoints. Get the number first.

Treating the credit card limit as harmless

Unused limits reduce borrowing power under DTI rules. Cut limits you don't need before applying.

Leaving KiwiSaver paperwork to the last fortnight

The withdrawal takes weeks and requires a witnessed statutory declaration. Late applications delay settlements.

Skipping the builder's report to save $700

The most expensive $700 saving in New Zealand. Hidden moisture damage runs to six figures.

Applying to one bank and taking the first no as final

Lender policies differ enormously on deposits, income types, and property types. A decline at one lender is often an approval at another. That's the entire point of using an adviser.

Ready to find out where you stand?

Take our First Home Buyer Readiness Quiz, or book a free, no-obligation chat. We'll tell you honestly whether you're ready now or what to fix first.

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