

FIRST HOME BUYERS GUIDE

5 helpful tips to know
before buying your first home



Glad you are here.

Congratulations on taking a step towards furthering your knowledge of property in the New Zealand market.

It's the Kiwi dream isn't it? Owning your own home that you can improve and make your own; safe, warm, cosy and *yours*, while paying off your own mortgage instead of your landlord's. Creating an asset to set you up for retirement. But why do you think not everyone makes this dream come true?

**I REALLY WANT
TO MAKE THE
INFORMATION
SIMPLE, PLAIN
AND EASY TO
UNDERSTAND &
IMPLEMENT.
MAYBE ONE
DAY YOU CAN
BECOME NOT
JUST A HOME
OWNER BUT AN
INVESTOR TOO.**



The low down.

I have helped countless people realise their dream of home ownership over my 10+ years as a mortgage advisor in Auckland.

My knowledge and understanding of the industry, combined with a genuine desire to help you achieve your goals, has paved the way for me to help people like yourself get set up to win in property. Is it easy? Not always - otherwise everyone would have done it by now. Is it worthwhile? Without a doubt it is!

For most people entering the property market, the first home buying journey is frustrating, stressful, expensive and uncertain. Do you get taught this stuff at school? **Nope!** And often even if your parents or family members own a home (which is a big head start) then it's likely been many years since they're been out there on the battlefield that is the first home market. And they probably went in pretty blind themselves.

After all my hours guiding clients through the process and witnessing their success, I wanted to give you the best of what I know in a simple clear way so you can take the next steps.



LET'S GET STARTED!



Are you making these mistakes?

1. CLEAN UP BAD DEBT

First things first, clean up your bad debt.

Before you even think about your deposit, let's make sure the rest of your finances are in order so you don't get any unexpected surprises, and so you can streamline all your earnings into saving that deposit and eventually paying off that mortgage!

Bad debt can be: personal loans, hire purchases, student loans, store cards (Farmers, Warehouse, Qcard...) and credit cards (ASB, ANZ, BNZ, Westpac...)



How?

- Cut back unnecessary expenses
- Find free activities
- Wait a week before making a big purchase (to test if you really need/want it)
- Invite friends over to your place instead of going out
- Save big chunks of money
- Prioritise paying off your smallest debts first to build momentum
- Focus on the gain!

Time starts now.

2. SAVE YOUR DEPOSIT

Aim to save a 10% deposit (you can include your savings, Kiwisaver and Home Start Grant in this calculation). If you have the capacity and patience then aim for 20% as you'll get a much better interest rate and pay less in fees when securing your mortgage.

How do you figure out how much? You've probably started looking on TradeMe etc, and understand the values in different areas. Be realistic. Be conservative. No one ever complained about having a deposit that was too big! And remember, for every year it will require you to save, add 10% to your target to allow for capital growth.



The positive news is that once you've bought your property all those rises will effectively be going into your pocket.

Want to buy with a smaller deposit? It can be done but I really don't recommend it as you'll pay higher interest rates and more fees. But you can talk to me about your situation any time.

Saving your deposit.

Deposit targets

Today \$500,000.00 **\$50,000.00**

After 1 year \$550,000.00 **\$55,000.00**

After 2 years \$605,000.00 **\$60,500.00**

After 3 years \$665,500.00 **\$66,550.00**

There are many factors taken into consideration regarding how big your deposit needs to be. Your employment, income, savings, debts, dependents, location, partner etc and the rules can vary between banks or at different times there may be more or less restrictions.



Did somebody say free money?

3. USE THE FREE MONEY!

The First Home Grant

If you are a first-time buyer and have been contributing at least the minimum payments to your Kiwisaver for at least three years, and are earning either less than \$85,000 individually or \$130,000 combined then you may be eligible for some free money!

You can receive up to \$5000 (\$1000 for each year you've contributed to the scheme) for buying an existing house or up to \$10000 (\$2000 per year) for a new home or land. And you may also be able to combine with others too!

All you have to do is agree to live in your property for at least 6 months.

Call Housing NZ to confirm your eligibility for the home-start grant or follow this [link](#).

A good way to kick start your investment is to purchase a house you can renovate in that six month period. You'll add value and increase the potential market rent.

Kiwisaver

If you've belonged to Kiwisaver for at least three years, you can withdraw all but \$1000 to use towards to your first home. For more info click [here](#).



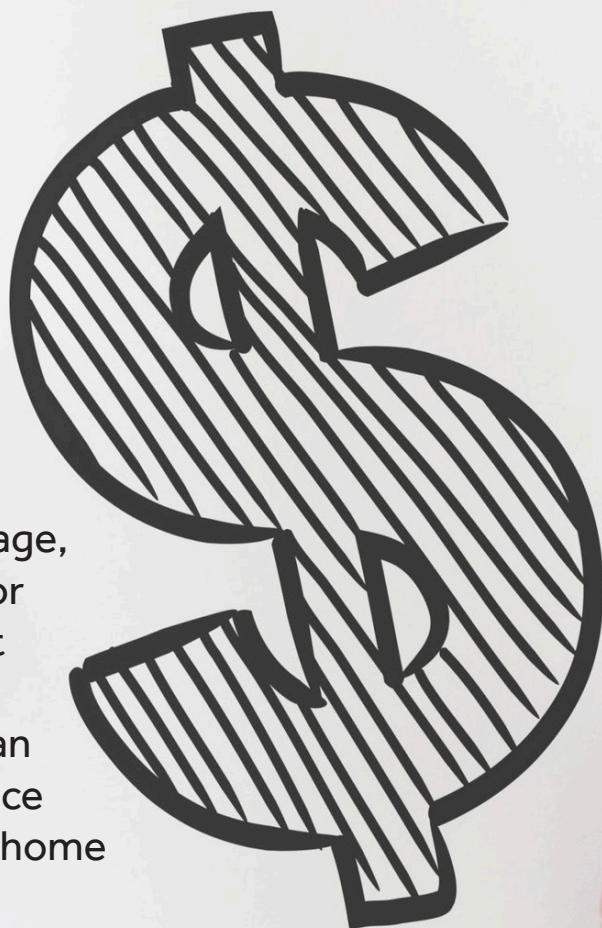
Use the professionals.

What does a Mortgage Broker really do?

Put short:
we work for you

Whatever your goals or aspirations are, a good Mortgage Broker will be there to help make them happen and set you up to win. Whether you want to reduce debt or the interest you pay back on your mortgage, buy your first home, upsize or renovate, buy an investment property, or simply get your finances 'marshalled', make an appointment with The Finance Marshall and make your first home happen.

4. USE A MORTGAGE BROKER



Set yourself apart.



5. ASK QUESTIONS QUESTIONS QUESTIONS

Once you have the dream, put a framework around it by getting good advice from the people who can help direct your steps. Ask questions of real estate agents, as well as mortgage brokers. How big your deposit needs to be and how much you can potentially borrow will come down to your unique combination of income, credit rating, debt, assets, budget and job.

An experienced mortgage broker will quickly have an excellent grasp on your position and they'll know which lender will give you the best options. They will discuss just about anything related to your finances to create a savings plan and eventually secure your home loan.

It's never too early to talk!

The final ingredient.

YOUR PRE APPROVAL

A pre-approval will help you go in strong when looking for properties. You will already have an agreement with your bank or lender on the exact amount you can borrow. It's based on your deposit, income and unique situation, and will be determined on the house too.

It helps you to manage your expectations so that you are looking at the right houses and not wasting time. It will ensure you are in the strongest position and more competitive against other buyers.

Make offers with confidence.



Let's chat.



**CALL THE
FINANCE
MARSHALL
TODAY**

If you are serious about owning your own home, get in touch!

Whether you have questions, or want to get right into sorting out your pre-approval, I can help.

I don't charge any fees and have a proven track record of assisting people just like you buy their first home.



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