

PIER LAW

NEW BRIGHTON | KAIAPOI | NORTHWOOD



FIRST HOME BUYERS GUIDE

www.pierlaw.co.nz

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CONTACT US

LOOKING FOR A PROPERTY

- Figure out a budget. Make sure you are looking for a property in areas suitable to your budget.
- Get pre-approval of your finance. This can be completed by contacting either a bank, or a mortgage broker.
- Are you eligible to use your KiwiSaver? Have you had KiwiSaver for at least 3 years?
- Are you eligible for the Kāinga Ora First Home Grant?
 - Check you're eligible on the Kāinga Ora website [here](#).
 - Apply for pre-approval for the First Home Grant on the Kāinga Ora website [here](#).
- Contact a lawyer to see if they are able to represent you.

Talk with your lawyer for advice on the overall process and any legal preparation you should be doing if you're feeling unsure.

- Once you find a property, ask your lawyer to look over the offer (the agreement) before you sign it.

If your offer is successful, the agreement will be signed by the Vendor (the current owner) and dated. The Real Estate Agent will forward the agreement to your lawyer.





YOU JUST SIGNED A CONTRACT

- Contact your KiwiSaver provider for the documents and requirements needed to complete your KiwiSaver withdrawal.
- Contact your lawyer to arrange an appointment within the first couple of days to complete your KiwiSaver withdrawal forms and to provide your ID and proof of address.
- Contact Kāinga Ora to apply for the First Home Buyer Subsidy.
- Contact your Mortgage Broker / Bank to complete or supply any information needed to complete your loan (mortgage) approval and give them your lawyers details.
- Contact insurance company to arrange insurance cover. This will be essential to you getting a mortgage so it's best to get onto this early.
- If your contract is subject to a building report, contact a reputable building inspection company to inspect the property and prepare a written report.
- If your contract is subject to any other reports, arrange to have these completed.
- Your lawyer will order and check the Title to the property and the Land Information Memorandum ("LIM") for you.

THE CONDITIONAL PERIOD



- Chase up reports if not yet received.
- Receive and look over the reports and let your lawyer know if there are any issues (e.g. things unexpected your building report identified).
- Ask your insurer to forward your lawyer a Certificate of Currency for the insurance over the property.
- Ask your Mortgage Broker / Bank how finance is going and ask them to email mortgage approval to your lawyer.
- Your lawyer will report to you regarding the Title and LIM. Look over this information and let them know if there are any issues or if you have any questions.
- If you are happy with everything, instruct your lawyer to confirm the contract is unconditional.



THE UNCONDITIONAL PERIOD

- Give notice to your current landlord if you are renting.
- Contact your Mortgage Broker / Bank to set up interest rates, term of your loan, etc.
- Pay the deposit or instruct your lawyer to pay the deposit from KiwiSaver funds.
- Ask your Mortgage Broker / Bank when loan documents will be with your lawyer and advise your lawyer of this.
- Make appointment with your lawyer to sign all purchase documents.
- Make sure power / phone / internet is sorted and organise a NZ Post Change of Address.
- Complete a pre-settlement inspection through the Real Estate Agent. Let your lawyer know if there are any issues (e.g. damage to the property not there previously).
- Get any additional funds to your lawyer to complete settlement, if required.
- Organise a moving company for settlement day.

SETTLEMENT DAY

- Your mortgage provider will pay funds directly to your lawyer to complete your purchase.
- Your lawyer will complete the purchase and give you a call once the property is in your name.
- Your lawyer will advise you where you are able to collect your keys from.
- Move in!



GLOSSARY OF TERMS

Agreement for Sale and Purchase

The base Agreement (also known as the 'Contract') which regulates the dealings between the parties and sets out default rights and obligations of both the seller (or vendor) and purchaser.

Conditions

Terms inserted into the Contract to give the purchaser (and the vendor) time to ensure they are happy with the property, before they commit to the transactions.

Conditions commonly include finance, insurance, building report, title, and Land Information Memorandum. However, the conditions can be tailored to meet an individual's needs. Your lawyer can assist you to draft these to ensure they are correct before you sign the contract.

Conveyancing

This is the term used to refer to the buying and selling of residential property.

Deposit

The deposit is paid to the Real Estate Agent or the vendors lawyer when the Contract becomes unconditional. The amount of a deposit can either be a specified amount, or a percentage of the purchase price (commonly 10%).

It is important to discuss with your lawyer in advance where this money is coming from i.e. whether it is from cash in your bank account or from your KiwiSaver funds.

First Home Grant

For first home buyers that meet certain criteria, the Government will provide a Grant to assist you with your purchase.

There are strict criteria and procedures that are involved, so we suggest you speak to your lawyer at the start, who can assist with this process and the relevant applications.

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on next page



GLOSSARY OF TERMS CONT.

KiwiSaver Withdrawal

That 3% - 10% that is taken from your pay each week is put into a pool. This pool can be, in certain circumstances, used to help with purchasing your first home.

Again, there are strict requirements and your lawyer will be happy to assist with this process.

Mortgage

This is the security that your Bank will take over your property in exchange for lending you the money to complete the purchase.

Purchaser

The buyer - the person that is looking to purchase property from the vendor.

Settlement

On the specified date, you will complete the transaction - the balance of the money and property changes hands, which is facilitated by the lawyers acting for both parties. Possession of the property is also given at this time.

Unconditional

The point at which you have satisfied your conditions and you are now bound to complete the transaction.

Vendor

The seller - the person that is currently the legal owner of the property.

FIRST HOME BUYER FIXED FEE

\$1,900

+ GST, Disbursements, and Office Expenses.

This fixed fee covers the standard processes when purchasing a property together with a mortgage from a first-tier lender, advice on the LIM and title, the assignment of any EQC Claims, the withdrawal of your KiwiSaver funds together with the application for and receipt of the Kāinga Ora First Home Grant. Any attendances over and above those listed will incur an additional cost. Examples of additional attendances include but are not limited to: the preparation of an Agreement for Sale and Purchase, more than two purchasers, mortgages from second or third tier lenders, guarantees, renegotiation of contract terms, complex fee simple / unit title / cross lease titles, and deeds of nomination.

This fixed fee is current as at 01.10.2023. Pier Law's fees, hourly rates, disbursements and office expenses may change from time to time without notice. Please contact us for an updated quote prior to engaging our services.

PIER LAW

ABOUT US

Pier Law is a general practice firm in Christchurch with offices in three convenient locations.

Our team of lawyers is small enough to work closely with you to get an in-depth understanding of your specific needs, but large enough to have the expertise, knowledge, and skills required for your ongoing legal concerns.

Don't hesitate to get in touch with any question, to book an appointment, or to find out more about our firm and services.

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