



# First Home Buyer's Guide (NZ)

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From Offer to Ownership.  
Your Complete Legal Guide  
to Buying a Home

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## Welcome

Buying your first home is exciting but it can also feel overwhelming. This guide breaks down the process in clear, everyday language while still reflecting a lawyer's perspective. You'll learn what to do, what to watch for, and how your lawyer protects you from costly mistakes. Whether you're just starting to save, house-hunting, or about to sign an agreement for sale and purchase, you can dip into the sections you need most.

## How to Use This Guide

The guide follows the usual journey of a first home buyer in New Zealand. You can read it straight through or jump to the part that matches where you're at – budgeting, making an offer, looking at conditions or getting ready for settlement. Each section highlights the key checks and where legal advice can save you time, stress and costs.

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## 1. Before You Start: Affordability, Savings & Paperwork

- Work out the maximum purchase price you can realistically afford (stress-test repayments at higher interest rates).
- Add upfront costs to your deposit target: legal/conveyancing fees, LIM and building report, valuation, mortgage establishment fee, insurance, moving costs, and any body corporate levies.
- Gather documentation you'll need for a mortgage application: ID (passport or driver's licence), the last 3 payslips, 3-6 months of bank statements, proof of savings or gifts and KiwiSaver statements.
- Decide how the property will be owned (personal names, joint tenants vs. tenants-in-common, or trust). Get legal advice early if you're buying with others or using a trust.

**Tip: It's cheaper to get advice before you sign up than to fix problems later.**

## 2. KiwiSaver

- **KiwiSaver first-home withdrawal:** If you've been a KiwiSaver member for at least three years, you can usually withdraw most of your balance to use as a deposit (leaving at least \$1,000). You must intend to live in the property; it can't be purely an investment. Contact your KiwiSaver provider early, the paperwork can take time.

## 3. Get Pre-Approval from a Lender (Approval in Principle)

- Pre-approval helps when negotiating offers but isn't a guarantee. The bank will re-check income, run credit checks, value the property, and confirm lending at the formal application stage.

**Tip: If you're relying on KiwiSaver, tell your lender and lawyer upfront so the contract conditions and timing fit the financing process.**



#### 4. House Hunting & Inspections

Before you sign anything do these things:

- Visit the property multiple times (day and night). Check neighbours, noise, access, and local amenities.
- Order a Land Information Memorandum (LIM) from the council. It summarises records on consents, hazards, drainage, rates, and bylaws. LIMs can reveal issues that affect value.
- Get a pre-purchase building report and, for high-risk homes, an engineer's report. Building.govt.nz recommends an inspection for all properties.
- Check for Code Compliance Certificates (CCCs) on recent work. Missing CCCs can be a red flag and may affect bank lending.
- If buying an apartment/unit, get the unit title pre-contract disclosure, body corporate minutes, budgets, and insurance. The Unit Titles disclosure regime has strict timing rules for sellers.

## 5. Making an Offer — ADLS/REINZ Sale & Purchase Agreement

- NZ uses the ADLS/REINZ Agreement for Sale & Purchase. Once signed, it's legally binding subject to the conditions you include:
- **Common purchaser conditions** to include on the front page:
  - Finance approval/loan condition (with a realistic date).
  - LIM satisfactory (or LIM condition waived if you already have it).
  - Building report satisfactory (many forms set 15 working days for a building report).
  - Lawyer's approval clause (so your lawyer can review & advise).
  - Sale of purchaser's property (if required), be conservative; vendors don't like chains.
- **Deposit handling:** The agreement specifies deposit amount and how it's held (agent or stakeholder). The ADLS/REINZ form covers how deposits are held and the process for release with appropriate protections.



## 6. Due diligence your lawyer will run (the critical legal checks)

### **Title & encumbrance search (LINZ)**

Your lawyer will order a title/priority search via Land Information New Zealand (LINZ) to confirm who owns the land, any mortgages, easements, covenants, or other instruments affecting the property.

### **Council files & LIM**

Your lawyer reads the LIM and council files for resource consents, outstanding permits, development contributions, or rates arrears.

### **Building consents / Code Compliance Certificates (CCCs)**

Confirm whether building work had consent and a CCC. If work was done without consent, consider a Certificate of Acceptance or further investigation. Lenders may be reluctant to lend on non-compliant work.

### **Insurance & natural hazards**

Check insurance availability and natural hazard history (flood, landslip, liquefaction). New natural hazards insurance arrangements and caps exist: buyers must understand what the national scheme covers and what private insurers cover.

### **Unit title specific checks**

If buying a unit, your lawyer checks the pre-contract and pre-settlement disclosure statements, body corporate minutes, budgets and the compliance of common property. Delays or missing pre-settlement disclosure can allow you to delay settlement.

## 7. Getting to Unconditional – common practical steps

- Satisfy the finance condition (bank issues full loan offer).
- If your LIM or building report raises issues, negotiate fixes, price changes, or cancel if your condition allows.
- Confirm the settlement date and arrange funds for the balance and other costs.
- Your lawyer prepares transfer and mortgage documents and liaises with the vendor's lawyer and your lender.
- **Timing:** LIM and building report conditions usually run 10–20 working days (ADLS/REINZ forms often allow 15 working days). Your lawyer tracks these deadlines.

## 8. Pre-Settlement Checklist your lawyer will run

- Organise settlement funds and confirm deposit status.
- Ensure mortgage documents are signed and ready to register.
- Adjust rates and confirm insurance.
- Check that any required unit-title pre-settlement disclosures have been provided.
- Arrange your final inspection to confirm the property's condition.

## 9. Settlement Day – what actually happens

- Lawyers/exchange agents transfer balance funds. The vendor's mortgage (if any) is discharged and the purchaser's mortgage is registered and the title transferred via LINZ. Your lawyer handles the filing through LINZ.
- Once LINZ updates the title, the purchaser is the registered owner. Your lawyer will notify councils and insurers as needed.



## 10. After Settlement – immediate legal practicalities

- Notify your council for rates; ensure utilities and insurance are active from settlement day.
- Keep a secure file with: the signed agreement, transfer documents, title reference, building & engineering reports, LIM, CCCs, body corporate records and any warranties.
- If issues arise after settlement (undisclosed defects, fraudulent title issues), contact your lawyer immediately – remedies depend on the facts and contract terms.

## 11. Common Legal Pitfalls & Red Flags

- No LIM ordered: you might miss major issues (flooding, unconsented work).
- Unconsented building work: Missing CCCs: lenders and insurers dislike this.
- Cross-lease titles (older properties): They can make renovations complex and costly. Ask about leasehold obligations.
- Unit title sellers missing mandatory disclosures: That can allow you to delay or cancel settlement.
- Relying on pre-approval only: Banks re-assess at the formal application stage; Don't sign unconditional with only pre-approval.

## 12. Typical Timeline

- Budgeting & pre-approval: 1–4 weeks.
- House hunting: variable (weeks–months).
- Offer accepted – conditional period (LIM/inspection/finance): Typically 10–20 working days depending on clauses (ADLS often uses 15 working days for building reports).
- Satisfy conditions & go unconditional – settlement: commonly 4–8 weeks after unconditional (but check your contract). (These are typical timings. Always check the agreement.)

### 13. How Your Lawyer Protects You

- A conveyancing lawyer reviews and negotiates the sale and purchase agreement, orders and interprets title and council searches (LIMs), checks building consents and CCCs, reviews body-corporate documentation (for units), prepares transfer and mortgage documents, holds deposit or settlement funds in trust, arranges registration of title and the mortgage with LINZ, and runs a final legal check before settlement.
- **They are your legal safety net from offer to keys.**

### 14. Useful Official Links

- **KiwiSaver** – first-home withdrawal (IRD / KiwiSaver). [www.ird.govt.nz/kiwisaver/kiwisaver-individuals/getting-my-kiwisaver-funds-early?](http://www.ird.govt.nz/kiwisaver/kiwisaver-individuals/getting-my-kiwisaver-funds-early?)
- **Reserve Bank** – Loan-to-value ratio (LVR) macroprudential policy (how deposit requirements can affect lending). [www.rbnz.govt.nz/regulation-and-supervision/oversight-of-banks/standards-and-requirements-for-banks/macprudential-policy/loan-to-value-ratio-restrictions](http://www.rbnz.govt.nz/regulation-and-supervision/oversight-of-banks/standards-and-requirements-for-banks/macprudential-policy/loan-to-value-ratio-restrictions)
- **Building.govt.nz** – checklist and CCC guidance for buyers. [www.building.govt.nz/getting-started/your-rights-and-obligations](http://www.building.govt.nz/getting-started/your-rights-and-obligations)
- **LINZ** – Land Record / title searches. [lrs.linz.govt.nz/search](http://lrs.linz.govt.nz/search)
- Unit Titles / pre-settlement disclosure guidance. [www.unittitles.govt.nz/buying-or-selling-a-unit-title/buying-or-selling-a-unit-title](http://www.unittitles.govt.nz/buying-or-selling-a-unit-title/buying-or-selling-a-unit-title)
- **Settled.govt.nz** (Real Estate Authority consumer hub for buyers). [www.rea.govt.nz/buyers-and-sellers/guidance-for-home-buyers-and-sellers](http://www.rea.govt.nz/buyers-and-sellers/guidance-for-home-buyers-and-sellers)

## 15. Checklist (Quick Reference)

### 1. Before you make an offer:

- ☐ Budget & stress-test repayments.
- ☐ KiwiSaver statements & proof of 3+ years membership (if using KiwiSaver).
- ☐ Pre-approval from lender.
- ☐ Identify required deposit & closing costs.

### 2. When you decide to bid / offer

- ☐ Ensure lawyer available to review the Agreement for Sale and Purchase.
- ☐ Include finance, LIM and building report conditions (if you need them).
- ☐ Agree deposit amount & how it will be held.

### 3. During conditions

- ☐ Order LIM from council.
- ☐ Order building report (inspector/engineer).
- ☐ Lawyer orders title & searches (LINZ).
- ☐ Check for CCCs & consents.
- ☐ Unit title? Request pre-contract & pre-settlement disclosure and body corporate minutes.

### 4. Pre-settlement

- ☐ Confirm finance & signed mortgage docs.
- ☐ Insure the property from settlement day.
- ☐ Final inspection booked.

### 5. Settlement & after

- ☐ Confirm title registration & mortgage registration via lawyer (LINZ).
- ☐ Notify council & utilities, keep file of all documents

## 16. FAQs – First Home Buyers

### 1. What is the difference between a conditional and unconditional offer?

- A conditional offer means your purchase depends on certain things being satisfied, like finance approval, a LIM report, or a builder's inspection. If those conditions aren't met, you may be able to cancel.
- An unconditional offer means you are legally bound to buy the property, with no way out unless the seller breaches the agreement.

### 2. How much deposit do I need to pay, and when is it due?

- Usually 5–10% of the purchase price is paid once the contract is signed, but the amount is negotiable. The balance is paid on settlement day. Your deposit is usually held in a lawyer's trust account or with the real estate agent until settlement.

### 3. What happens if I can't get finance approval in time?

- If you included a finance condition in the contract and cannot get approval before the due date, you may be able to cancel. If you didn't include a finance condition, you risk losing your deposit and being sued for costs.

### 4. What conditions should I include in my Sale and Purchase Agreement?

Most first home buyers include:

- Finance approval (so you're not locked in if the bank won't lend).
- LIM report (to check council records for compliance or hazards).
- Builder's report (to check for structural or maintenance issues).
- Title check (to ensure there are no restrictions on the property).

### 5. Can I withdraw my offer once it's been accepted?

No. Once the seller signs your offer, it becomes a binding contract. You can only pull out if you have conditions in the agreement that are not satisfied.

## **6. What are the key dates I need to be aware of?**

- Finance date: when your bank must confirm lending.
- Condition dates: when LIM, builder's report, or other checks are due.
- Settlement date: when the money is paid and you legally own the home.
- Possession date: usually the same as settlement, when you get the keys.

## **7. What's the difference between settlement and possession?**

- Settlement is when the money changes hands and you legally become the owner.
- Possession is when you get access to the property, usually right after settlement.

## **8. What checks does your lawyer do on the property title?**

They check for:

- Who owns the property (legal ownership).
- Whether it's freehold, cross-lease, or unit title.
- Any restrictions, easements (e.g., shared driveways), or covenants.
- Whether mortgages or caveats are registered against it.

## **9. What is cross-lease, unit title, or freehold?**

- Freehold: you own the land and the house outright.
- Cross-lease: you own a share in the land and lease your section from all the other owners. Changes often require neighbours' consent.
- Unit title: common in apartments/townhouses. You own your unit plus a share in common areas, and you pay body corporate fees.

## **10. Are there any covenants, easements, or restrictions on the property I should know about?**

Yes, sometimes. These can limit how you use the property (e.g., no building above a certain height, or having to allow access to utilities). Your lawyer reviews and explains these before you confirm your purchase.

## **11. What is a LIM report and do I really need one?**

A LIM (Land Information Memorandum) comes from the council and shows information about the property such as building consents, flood zones, and outstanding rates. It helps check whether the property is safe and legally compliant.

## **12. What happens if the property has unconsented works?**

If renovations or additions were done without council consent, you could face problems with insurance, resale, or council enforcement. Your lawyer advises you on your options before you confirm.

## **13. How do I use my KiwiSaver to help with my first home?**

You can usually withdraw most of your KiwiSaver savings (but not the \$1,000 Government kick-start if you received one). The funds must be paid into your lawyer's trust account before settlement.

## **14. When do I need to apply for KiwiSaver funds?**

Apply as soon as your offer is accepted. It can take several weeks to process. Missing deadlines can delay or jeopardise your settlement.

## **15. What happens if the settlement date is before my KiwiSaver money comes through?**

You won't be able to settle without the funds. Your lawyer will negotiate with the seller for enough time, but it's vital to apply early.

## **16. Do I need a solicitor's trust account for my deposit and KiwiSaver funds?**

Yes, most funds (deposit and KiwiSaver) are paid into your lawyer's trust account before being transferred to the seller on settlement day.

## **17. What costs should I budget for besides the purchase price?**

- Legal fees
- Bank/loan setup fees
- LIM and builder's report
- Valuation (if required by the bank)
- Insurance
- Rates adjustment on settlement

## **18. How does settlement actually work on the day?**

Your bank pays your lawyer the loan funds. Your lawyer combines them with your deposit and transfers the money to the seller's lawyer. Once the title is updated and keys are released, you can move in.

## **19. Do I need insurance before settlement?**

Yes. Your bank will require a certificate of insurance before they release loan funds. You should have insurance in place from and including settlement day.

## **20. What if something is damaged at the property before settlement?**

The property must be handed over in the same condition it was when you signed the contract (fair wear and tear excepted). If damage occurs, your lawyer can negotiate with the seller to fix it or compensate you.

## **21. What happens if the seller doesn't move out on time?**

You may be entitled to compensation or to delay handing over money until they leave. In rare cases, you may need court enforcement.

## **22. Who pays rates and water charges when I buy the property?**

Rates are adjusted on settlement, so you only pay from the date you take ownership. Water bills depend on the local authority's system.

## **23. What do I need to know about body corporate fees (if unit title)?**

Body corporate fees cover shared costs such as insurance, maintenance, and common areas. You need to budget for these ongoing costs in addition to your mortgage.

## **24. What are my obligations as a property owner after settlement?**

You'll need to:

- Pay your mortgage, rates, and insurance.
- Maintain the property.
- Comply with council rules and any covenants/easements.



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