

# PUTTING DOWN ROOTS



If you're planning to make a permanent move to New Zealand here is some essential advice for buying your dream property, *writes Mary O'Brien...*

Left: Central Auckland, NZ's biggest city



New Zealand boasts an enviable outdoor lifestyle

**W**ith its attractive outdoor lifestyle, excellent job opportunities, great climate and friendly people, it's no wonder that New Zealand is a popular destination for British migrants. With its breathtaking beaches, forests, lakes, glaciers, mountains, rivers and thermal geysers New Zealand has almost every type of "nature" you can think of in the world.

New Zealand rates high for livability too. The country is currently ranked the second safest in the world (Global Peace Index) and the world's happiest (Forbes). This definitely reflects on a great country to lay down roots.

Fortunately, if you're thinking of buying your dream house in New Zealand you'll find that the buying process is well organised and well regulated. Buying a house in a new country though can be confusing, so here

is some advice to guide through the property buying process...

## MORTGAGE PRE-APPROVAL

Proposed changes to New Zealand's Overseas Investment Act mean that overseas nationals will generally be unable to buy existing homes or residential land within New Zealand, but if you have a Permanent Residency visa or a visa that guarantees you Permanent Residency after two years, then there may be a chance that you can obtain mortgage pre-approval, even before you leave the UK. As lending can vary between bank to bank, your first point of call is a New

## Useful websites

### PROPERTIES FOR SALE:

[www.realestate.co.nz](http://www.realestate.co.nz)  
[www.trademe.co.nz/property](http://www.trademe.co.nz/property)  
[www.homes.co.nz](http://www.homes.co.nz)  
[www.nzherald.co.nz/property](http://www.nzherald.co.nz/property)

### FOR MARKET INFORMATION:

[www.qv.co.nz](http://www.qv.co.nz)

### FOR PROPERTY NEWS:

[www.reinz.co.nz](http://www.reinz.co.nz)

Zealand mortgage broker, who can advise how much you can borrow.

Firstly, your salary income will have a bearing on how much a bank will lend you for a mortgage, as does having a good credit rating. As a new arrival, you won't have a credit history so make sure you bring some evidence of your credit history in your home country.

The size of your deposit will also affect how much the bank will lend you. Banks in New Zealand will generally require a 20 per cent deposit for an owner occupied property, so lending would be 80 per cent (subject to approval).

In New Zealand there is no stamp duty, so aside from your deposit you will need around NZ\$1,500 (£763) to cover your legal and registration fees.

Once the mortgage pre-approval has been granted you will be given confirmation of this on a bank letterhead,

## "IF YOU HAVE A PERMANENT RESIDENCY VISA YOU CAN OBTAIN MORTGAGE PREAPPROVAL"

so with this evidence hand you are ready to house hunt.

## FINDING A PROPERTY

Most migrants will choose to rent a furnished unit or stay with friends until their freight arrives. It is a good idea to drive around suburbs you are interested in to get a feel for what they are like.

If you have children and want your children to attend a specific school then you need to be living within a particular zone. Properties in the zones of some of the best schools are likely to be expensive.

A good place to start looking for a property is online (see boxout above). >>>



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		12 month change	Average value
1	Whangarei	7.2%	\$512,326
2	Auckland Region	0.8%	\$1,051,687
3	Tauranga	3.8%	\$704,183
4	Hamilton	2.9%	\$554,452
5	Rotorua	7.6%	\$426,458
6	New Plymouth	6.3%	\$444,814
7	Napier	17.6%	\$500,347
8	Hastings	12.5%	\$459,406
9	Palmerston North	8.1%	\$383,854
10	Wellington Region	6.6%	\$642,156
11	Nelson	6.7%	\$562,832
12	Christchurch	-0.5%	\$493,346
13	Queenstown Lakes District	8.5%	\$1,130,320
14	Dunedin	8.8%	\$404,539
15	Invercargill	10.5%	\$264,642
New Zealand		7.6%	\$678,856



Above: Average house prices in New Zealand

If you choose to buy a block of land (known as a 'section' in New Zealand) there are a number of options for building a home tailor-made for your needs.

Most houses in New Zealand are standalone buildings on a block of land that you purchase with the building. However there are other types of land ownership, so it is important to understand what you are buying.

solicitor to approve before you sign it. If this is all okay then you will be given a date for submitting your finance (usually five to seven working days) and other conditions that your solicitor will advise you about.

Next, you contact an insurance broker or insurance company to make sure the property can be insured. Insurance is a very important, as without this in place

all require an 'Earthquake Report' from the vendors of the property you are interested in. You will also need to contact the vendor's insurance company to make sure that you can transfer their insurance to your name on the settlement – this must be confirmed in writing. All house insurance in New Zealand has to be for a brand new 'rebuild' value.

'Leaky Building Syndrome' refers to a building that does not provide adequate water tightness with high moisture readings. Some properties built between 1999 and 2006 were allowed to be constructed of kiln dried timber framing instead of chemically treated timber and as a result moisture/condensation has gone through to framing and deteriorated the framing. Banks do not mind brick houses built in that era but are very hesitant about other forms of construction in that era.

Solicitors usually request a LIM (Land Information Memorandum), which is a council history file of the property. Solicitors also recommend a 'Meths Test' of the property, which is a check of the house to make sure there is no house contamination of the drug methamphetamine in the walls.

### PAY YOUR DEPOSIT

Once all the conditions are met your mortgage offer becomes 'unconditional'. Bear in mind that banks can only go unconditional on a property once your probation period at work has ended. If you do not have a probation period then they may approve you immediately.

Once this is in place you are ready to pay your deposit on the property. If your deposit is coming from overseas then contact a large currency company to ensure you get the best rate for your money. You can then look forward to reaching 'settlement' – after which you can raise a glass to being a new Kiwi home owner. 🇳🇿

## "IT CAN TAKE AS LITTLE AS THREE TO FOUR WEEKS TO COMPLETE A HOUSE PURCHASE"

### THE HOUSE PURCHASE

It can take as little as three to four weeks to complete a house purchase once you've found the place you want. Once a bid is accepted, last minute offers can't be considered, which makes buying a lot less stressful than it is in the UK.

The real estate agent will draw up an 'Agreement for Sale & Purchase' which you quickly send to a New Zealand

you will not be granted a mortgage. It is important to bear in mind that insurance companies will not insure a property if it is built before 1935 and has not been 100 per cent rewired and re-gibbed. Always ask the real estate agent this question.

### POSSIBLE PITFALLS

If you're planning to buy in Christchurch, it is worth bearing in mind that the banks

**New Zealand**  
mortgage solutions



■ Mary O'Brien of New Zealand Mortgage Solutions Auckland and Sydney has been a New Zealand Mortgage Broker for 19 years. She has helped many people from the UK obtain a New Zealand mortgage from a choice of reputable banks, giving them 'peace of mind' when they arrive in New Zealand. Read case studies of happy clients at [www.newzealandmortgages.co.uk](http://www.newzealandmortgages.co.uk). Tel: 0064 22 162 5131.