



8 Hot Tips for Buying a Home

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For most New Zealanders owning a home is part of our DNA, whether that's an apartment, a house in the suburbs or a plot of land in the outskirts. Buying a property is a big deal and it might only be one of a few times you do it in your lifetime. Also, it will likely to be one of the biggest financial commitments you will ever make.

Iron Bridge has helped thousands of families successfully buy and sell their homes. Below are our top eight tips to help you through your home-buying journey.

1) Work out your budget

The first thing you need to confirm is your budget. Establish a realistic picture of your financial situation by working through your income vs. spending and weigh this up against your deposit and potential mortgage repayments.

You must allow for any hidden and future costs of owning a home.

There is more cost to buying a home than just the purchase price. Consider legal fees associated with buying a home, purchasing LIM and building inspection reports. You will need to allow for council rates, insurance, funds for future repairs and maintenance, body corporate fees (if applicable) and changes in interest rates.

Play it safe financially to ensure you can keep your home if your personal circumstances change.

2) Get preapproved for a home loan

Before you set out to buy a home, it is an excellent idea to get preapproved finance arranged with your chosen lender. This will let you know the price range you can buy in and speed up the process when you are ready to make an offer. It demonstrates to the agents and sellers you are a serious buyer. A preapproved loan is crucial if you're planning to bid on a property at auction. We would recommend using a high-quality mortgage broker to assist you with this.

3) Buy what you need, not what you want

For most of us, our initial expectations of what we want far exceed what we need and can afford. Be realistic about what you need, as too much debt can be stressful. Write a concise list of your must have's and work out what you are willing to compromise on.

4) Use a lawyer

Before you purchase a property, we firmly recommend that you get independent legal advice. Finding the right lawyer is an integral part of the buying process. Your lawyer will ensure all the legal procedures are followed and you understand the buying process. They can review property reports such as Land Information Memorandums and ensure property titles are all in order. A good lawyer will also be prepared to offer good pragmatic advice and guide you through the process.

5) Get a building inspection

Spending a few hundred dollars on a building report could save you many thousands in the long run. It is wise to get an inspection done before making an offer or including it as a condition of the sale.

Reputable, qualified building inspectors can check the property to ensure it is compliant and fit for purpose.

The last thing you need is thousands of dollars in unexpected maintenance bills on top of a new or extended mortgage.

6) Get the property valued

Hiring an independent valuer will ensure you are not overpaying for a property. It may also be a requirement from your banks to ask for this as a condition of your finance approval.

Make sure you do your pricing research by reviewing recent comparable sales of properties sold in the previous few weeks.

7) Research your area

Conducting thorough research on the areas you want to invest in is wise and good local real estate agents will be able to assist you with this. The location might suit your immediate needs, but does it bode well for the future?

8) Engage an excellent real estate agent

Although, in theory, real estate agents work for the seller, a good agent can work equally as hard for a buyer. Competent real estate agents are highly skilled at seeking out properties that match your needs. Real estate agents often have a database of purchasers and off-market properties that could match your needs, so stay in regular contact to ensure you remain top of mind.

The team at Iron Bridge can guide you through purchasing your property, be it your first home, second home or investment property. Get in touch with our team today!

If you want further advice on buying a home, The Real Estate Authority (REA), an independent government agency, offers a fantastic guide for home buyers and sellers. Visit the REA Website to download your free copy <https://www.rea.govt.nz/buyers-and-sellers/read-our-guides/>