



LUGTONS 'IN THE MARKET' SERIES | BOOK 1

GUIDE FOR FIRST HOME BUYERS



Lugtons





Congratulations for taking the first step towards home ownership!

Home ownership is a momentous occasion in anyone's lifetime. Whether you're buying your first home or your first investment property, looking for the right house will bring with it a mixture of emotions and experiences - adventure, anticipation, excitement and, let's be honest, there'll also be a certain level of stress thrown into the mix.

As a first-time buyer, the home ownership process will seem a bit daunting. It will be relatively time consuming, and at times it might be challenging, but there'll be many highlights along the way, not least when you receive the keys to your very first home.

What's important to remember is that buying your first home is a big investment - of your time, energy and finances. But we're here to help. In this guide, we've outlined the key things to consider as you embark on this exciting journey, included some top tips on how to approach the housing market, and shared some expert advice on what you can do to prepare for stepping out on the pathway to home ownership.

We hope you find this guide useful.





Contents

Things to consider	04
Finding the right type of property	05
Location, location, location	08
Setting your budget	11
Hitting the market	14
Help from the Lugtons team	16



Things to consider

What type of house are you looking for? Is it somewhere you want to live now and then turn into an investment? Or are you looking for a family home?

And where do you want to live? In the city? On a lifestyle block? Close to work? Near schools?

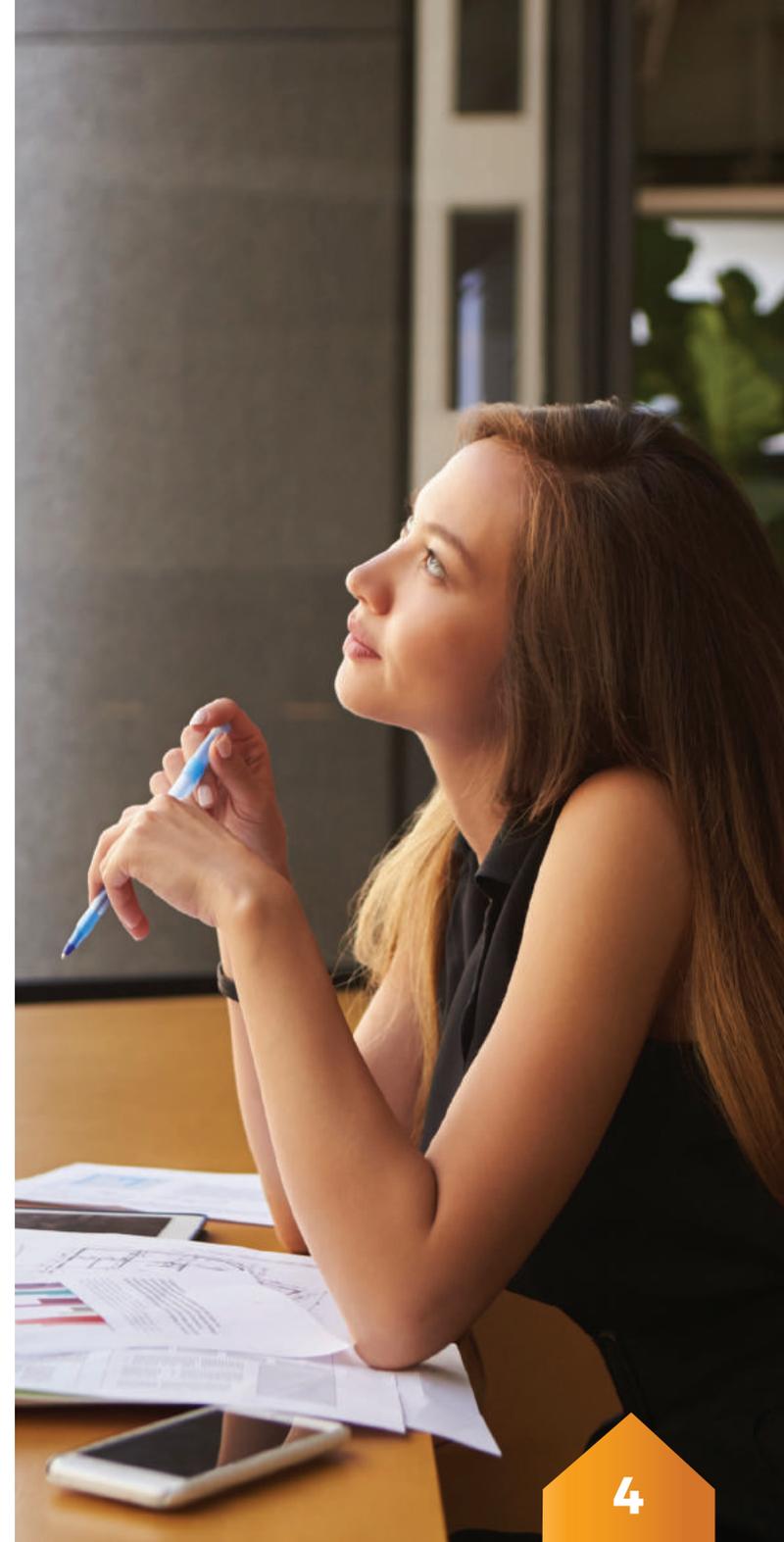
The type of property and where it's located are the first key things to decide upon as that will help to narrow down your search.

Then there's the price to consider. What is your budget? Are you ready financially to invest? Have you got scope to increase your budget? Income to pay your mortgage?

Again, these are key points to consider as you embark on the pathway to home ownership.

While it may all seem a bit overwhelming, in the following pages we break down each of these points into manageable, bite-sized pieces. The key to making the pathway to home ownership less stressful and more enjoyable is to approach it in stages.

This will also ensure the end result is all the more sweeter.



Finding the right type of property

Everybody is looking for something different in a house, and what you're looking for tends to be determined by your current situation. You might be looking for space for children to run around, a home with a granny flat out the back, or a small first-time house that suits a couple but can be turned into an investment later on.



Types of houses

Broadly speaking, there are three different types of houses available within New Zealand:

Stand-alone houses

Stand-alone houses sit on their own, and most will have section space with them. These houses often have opportunity for alterations, either to the interior or exterior, so you can exercise your DIY skills and alter the property (with the appropriate consent) to suit your needs if it's almost perfect but not quite.

Town houses

Town houses are typically smaller in size and therefore require less maintenance, both inside and out.

Town houses are often attached to another property through a shared wall usually running the length of the building.

Apartments

Apartments are the most common type of inner city living. This compact way of living, coupled with effective storage solutions and minimal maintenance, can offer a central living solution to many young professionals, tertiary students or a commuting alternative for those who work in the city.



What is right for you?

Narrowing down your search

Finding the right home can take up a lot of time and energy, so it's important to consider everything you wish the home to be now and in the future. Here are some questions to ask yourself as you start to narrow down your property search:

- Do you want to buy something to live in now and rent out later? Think long-term about the needs of your possible renters, as well as your own.
- Are you looking for a property that you can add value too? Make a realistic judgement as to the amount of work that needs to be completed. Is it too much to manage? Does your budget allow for alterations and DIY products? And how handy are you with a hammer?
- Are you in the market for your forever home? It is important to consider the longevity of your property and whether it will grow with you.
- What size home do you want? Something small with just a couple of bedrooms, a family home with multiple living areas and bathrooms, or on a big section?
- What style of house do you want? Do you like homes with character? New, architecturally designed homes? Some houses may attract you more than others, but do you have the budget to secure it? And will the style of house you like hold its value.



Location

You've probably heard it many times before, location, location, location, but why is it so important?

The location of your property can not only add monetary value, it can also determine the schools you are zoned for, the community you'll become involved in and lifestyle options. For example, the right location might mean you can bike or walk to work, have easy access to a neighbouring park, or dash to the supermarket for that bag of sugar when you're midway through baking a cake!



Location, location, location

Choosing your neighbourhood

Over the last 10 years, Hamilton has experienced phenomenal growth in the housing market and as a result new neighbourhoods have popped up, mainly to the north of the city. There are also ambitious plans to develop to the south of Hamilton as well.

A great way to start out on your pathway to home ownership is to drive around the city. There will no doubt be neighbourhoods that you've never even heard of, let alone visited. Look at them through the eyes of a potential home owner and keep an open mind. You may discover the perfect first home is in a part of a city you've never ventured before, and as they say, a change is as good as a holiday!



What to look for in a location

Hamilton has a range of neighbourhoods to choose from and it's important to consider purchasing in one that meets your needs. Here are a few things to consider when investing in your location:

- How close do you want to be to work, family or friends?
- Do you need easy travel routes around and out of the city? Do you plan to travel north to Auckland, or need a quick commute to work?
- Is the cost of commuting an issue for you?
- Do you prefer a quiet, leafy suburb, or are you happy to live in the hustle and bustle of the central city?
- What are your property needs? Will you be operating a business from home? Would you like a large backyard or are you content with a small patio?
- Do you see yourself living in a modern suburb or do you prefer older homes, generally located in established neighborhoods?
- Are the amenities and local facilities critical for you when searching for a property? Is it important for you to have a local bus stop or park nearby?
- Do you need to consider school zoning?



Setting your budget

Buying your first home doesn't need to cost the earth, even if it feels like it's going too. There are houses out there that will fit within your budget, and some which may even come under budget, giving you a kitty to make your mark on it with a bit of DIY should you wish.

But first, you need to know what your budget is, and what you can comfortably afford.

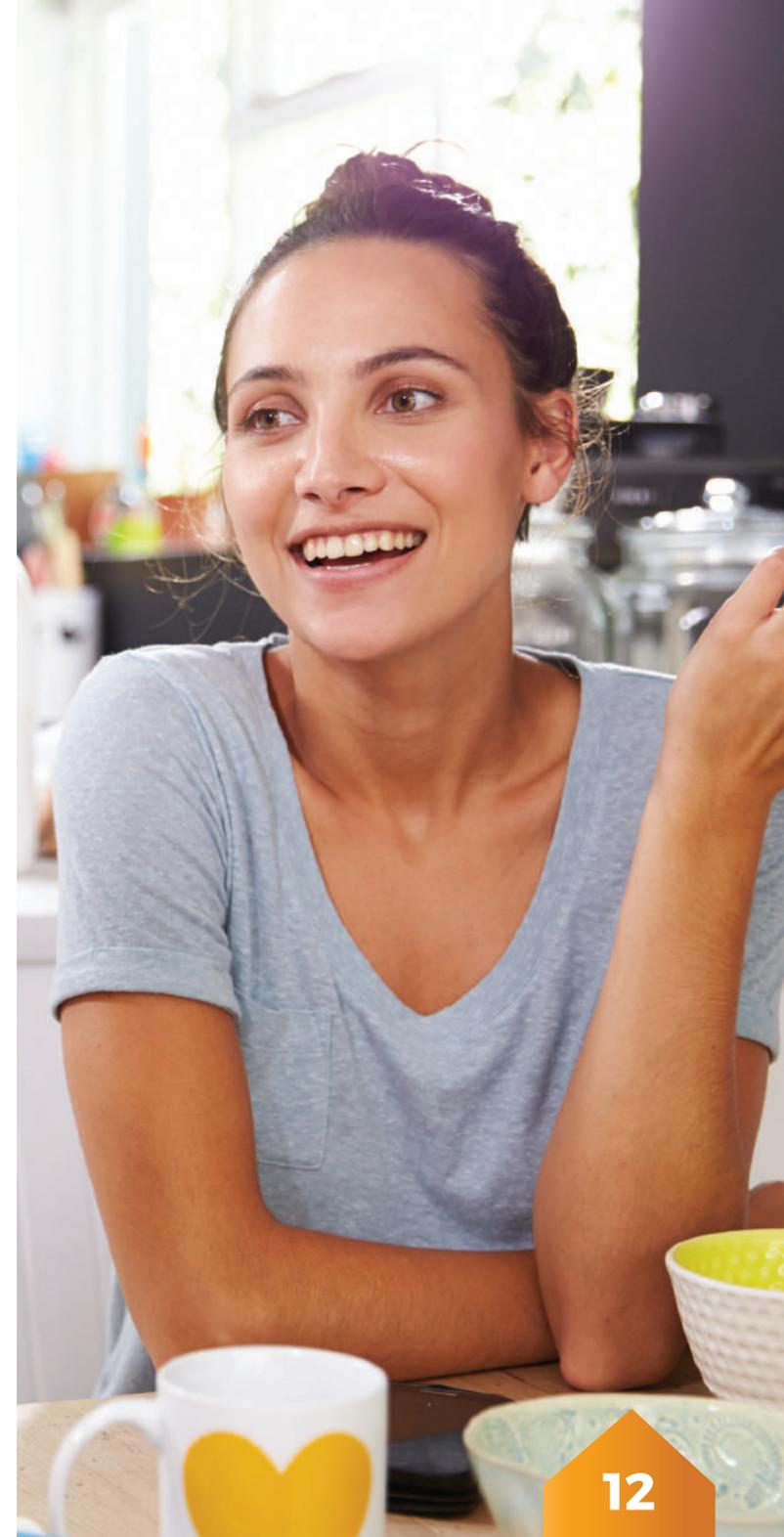


Managing your expectations

As a first home buyer, one of the hardest things to do, but one of the most important things you need to do, is to manage your expectations. Although it may seem like a nice idea to attend open homes of grand houses, be realistic.

Do your sums first and stick to viewing homes that are in your price range. This will also give you a better comparison tool, so you're comparing apples with apples. It will also help to give you a clearer indication of how much property you'll get for your money.

Financing property can be complex so we've put together a separate eBook which delves into this aspect of the home buying process. However, on the next page there are a few questions for you to consider when getting started.



Getting a return on your investment

No matter how big or small your investment is, you want to get a return on it. In the preliminary stages of looking for that perfect first home, here are a few questions to ask yourself about your finances:

- How much are you wanting to spend on your first home?
- Do you have a top dollar figure in mind? Sometimes your perfect home may be just outside of your budget, so it's important to set yourself a figure that may be flexible.
- How much do you have saved as a deposit? The usual amount that is required by lenders is 20% of the total value of the property.
- How much do you require to secure your home?
- Have you spoken with your bank and asked them what they require from you to get a mortgage?
- Have you set yourself up with a savings plan? Are you putting money away each payday? If not, start now!

You'll find more in-depth information about the financing process for buying your first home in our eBook: [Financing your first home](#).



Hitting the market

You've identified the type of house you're after, where you'd like to live, and how much you can afford to spend on your first home - now it's time for the fun to begin. It's time to hit the market.



Hitting the market

There are several ways you can search for properties:

Online

Start online. Individual real estate companies and agents have their own websites with their current listings available, but websites such as RealEstate.co.nz or Trade Me tend to have them all in one place.

Newspapers

Real estate is still very traditional and each week there'll be property pages in newspapers. Keep an eye out for these and the real estate company magazines that are still published too.

Social media

Real estate companies will also post houses for sale on their social media channels. Follow your local estate agents on Facebook, Instagram and LinkedIn.

Real estate agent

Contact a real estate agent. They have their finger on the pulse as to what's happening in the market and could help you find the house you're after, before others even know it's for sale!

As you make your way through the search phase, it is important to consider the following:

- Don't be disappointed if you cannot find what you are looking for immediately
- Trust your gut
- Learn to compromise
- Don't overcommit
- If it doesn't feel right, walk away



Talk to the experts

We're here to help you through the buying process, from identifying the type of property you are looking for to what type of home you can get for your budget. We'll work with you to understand exactly what it is that makes a home feel like home for you.

Your first home is a purchase you'll remember forever. Make sure it's a decision you are completely sure about.

We hope this guide has helped to make buying your first home a little less daunting. You may also like to read our guides to Financing your first home and Purchasing your first home. And remember, the Lugtons team are here to make stepping out on the pathway to home ownership easier. Please feel free to contact us at any time.





lugtons.co.nz