

A man and a woman are standing at a table in a construction site, looking at blueprints. The woman is wearing an orange safety vest over a white shirt. The man is wearing a blue polo shirt and is pointing at the blueprints with a red pen. The background shows a building under construction with exposed brickwork and wooden framing.

BUILDING AND RENOVATING HANDBOOK

HELPING YOU AT EVERY
STEP OF YOUR JOURNEY

BUILDING AND RENOVATING HANDBOOK

Building or renovating can be a great way to get the home you want. The process can be very rewarding – but challenging, so we've created this handbook to make it a little easier. In this guide, we break down the building and home loan process step-by-step, and there's a handy glossary at the back to explain key terms.



DON'T GO IT ALONE

First things first – get in touch with an ANZ Construction Coach. They'll be in your corner at every stage of the journey, from getting a pre-approval, through to getting the keys to your home.



Call 0800 269 4663



Visit anz.co.nz/buildingandrenovating

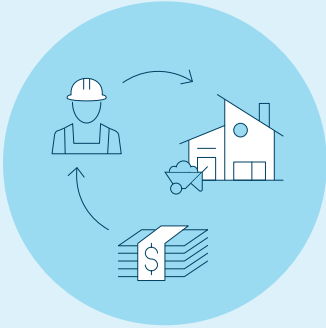


Book an appointment with an ANZ Construction Coach at any branch



Arrange for an ANZ Mobile Mortgage Manager to visit at a time that suits you. Go to anz.co.nz/mmm

THE BUILDING AND RENOVATING PROCESS



FINANCING YOUR PROJECT

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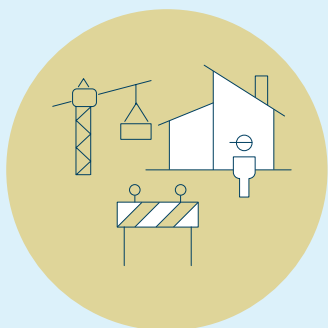
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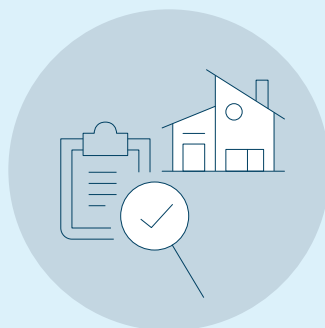


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FINANCING

YOUR PROJECT

1

The first stage of building or renovating involves reviewing your finances to understand what you can afford.



MEET WITH AN ANZ CONSTRUCTION COACH

Your Coach will take you through your loan and deposit options, and give you an approximate idea of what you could borrow and what your repayments could be.

You can also find a range of tools and calculators to help you understand what you may be able to afford at anz.co.nz/buildingandrenovating.



Register for our Build with Confidence Seminar.

You'll find out how the building process works and how you could finance your build. Find out more at anz.co.nz/propertyunlocked



THE COSTS OF BUILDING AND OWNING A HOME

Building Costs – one off

- Architect or draftsman
- Project management, builders, trades people, quantity surveyor (QS) and engineers
- Solicitor fees
- LIM (Land Information Memorandum) reports and council documents
- Resource and building consent
- Contract works insurance
- Valuations
- Moving costs (potential rent costs during a large renovation)
- Utility setup and reconnecting services
- Project/cost overruns.

Ownership Costs – ongoing

- Home loan repayments
- Council rates
- Insurance – Home & Contents
- Utilities and maintenance
- Body Corporate fees (if applicable).

Your Coach can help you assess these costs and help you set your budget. For more helpful budgeting tools visit sorted.org.nz



DEPOSIT OPTIONS

What size deposit will you need?

Generally, you'll need a 20% deposit of the total cost (to buy land and fund the build) for an ANZ Home Loan. But, depending on your situation and the type of build or renovation, there may be exceptions – talk to your Coach. When you're building a home you're required to use your own funds for the deposit before you can drawdown your loan.

Help with your deposit

Getting the deposit together for a new home can be challenging. If your savings aren't enough you may be able to get help from your family in the form of a gift, guarantee or loan. Talk to your Coach for more details. There are also KiwiSaver options (if you're eligible). Find out more in the next section.





KIWISAVER FIRST HOME WITHDRAWAL

If you've been a KiwiSaver member for at least three years, you may be able to use your KiwiSaver savings to help you buy land to build your first home.



You'll need to:

- Talk to your solicitor – they can help you through the process and advise on what documents you'll need to provide.
- Check the processing time for KiwiSaver first home withdrawals with your KiwiSaver scheme provider – if this is ANZ Investments, submit your application at least 15 business days (10 business days if you haven't lived overseas) before payment is due.
- If you're a member of the ANZ KiwiSaver Scheme, your Coach can help you understand your eligibility and how much you could withdraw for your first home.

FIRST HOME GRANT

Kāinga Ora – Homes and Communities (previously known as Housing New Zealand) offers First Home grants for eligible KiwiSaver members to help them buy their first home.

To find out if you meet Kāinga Ora's eligibility criteria, visit kaingaora.govt.nz/firsthomegrant

For more information visit anz.co.nz/kiwisaverfirsthome



If you intend to purchase land without a house on it, remember you can only use your KiwiSaver savings towards the purchase of that land and not towards the future costs of building the house.



ANZ HEALTHY HOME LOAN PACKAGE

The ANZ Healthy Home Loan Package offers special discounts on home loan interest rates and other great benefits for building or renovating a home to a 6 Homestar rating or higher.

What is Homestar?

Developed by the New Zealand Green Building Council, Homestar is an

independent rating tool that certifies the health, efficiency and sustainability of New Zealand homes.

A Homestar rating of 6 or higher means the home will be easier and more cost effective to keep warm and healthy, and can be more environmentally sustainable than a typical new house built to New Zealand Building Code.

HEALTHY HOME LOAN PACKAGE BENEFITS

- **ANZ Home Loan** – You'll get a discount on our standard fixed, floating and flexible home loan rates. (Note – we apply fixed rate discounts to new fixed rate periods only. Discounts don't apply to tideover (bridging) loans).
- The Application fee is currently waived. No monthly account fee on an ANZ Flexible Home Loan. You can find more information about our rates and fees on anz.co.nz
- **ANZ personal credit card** – With one of our ANZ personal credit cards you'll be entitled to fee discounts.
- **ANZ Freedom account** – We'll waive the Monthly Account fee on new or existing accounts. Transaction and non-standard fees may apply. Package eligibility criteria, terms, conditions and fees apply.



We've got ways to help make your home warmer, drier and more energy efficient. Visit anz.co.nz/healthyhomes to find out more.

UNDERSTAND THE HOME LOAN PROCESS FOR BUILDING AND RENOVATING

When building or renovating a home, the usual way to finance your project is to borrow against the final value of the home when it's completed. This is referred to as Tentative on Completion Value, and we approve your total lending limit based

on this value. Rather than accessing all the funds at the start of the project, you draw funds down in stages across a maximum of a 12 month period as the building progresses and the value of your property increases.



GET YOUR HOME LOAN PRE-APPROVED

A pre-approved home loan allows you to plan your build or renovation with confidence. It gives you an indication of what we're willing to lend you, subject to certain conditions.

When considering a pre-approval your Coach will need to:

1. Validate your identity; and
2. Assess your financial position, income, living expenses and eligibility for a KiwiSaver first home withdrawal.

We'll need proof of address, a valid photo ID and proof of regular income and expenses. These can be provided through utility bills, a passport or New Zealand driver's license, pay slips and your last 90 days of bank statements.

A pre-approval makes up two of the three parts of a full loan application; your identity and your financial position – so it gets you off to a great start. All that remains is to finalise your building plan – and that's what the next section is all about.

Your pre-approval is valid for up to 90 days. If the planning phase takes longer we may need to reassess your financial position.



To start the process, simply contact your ANZ Construction Coach or start the application process online at anz.co.nz/buildingandrenovating



This is also a good opportunity to understand your insurance needs and discuss the benefits of protecting your financial position should you or your family be affected by an unforeseen event.



PLANNING

YOUR PROJECT

2

Once you've got your deposit and pre-approval sorted, you can start thinking about putting together your support team, what kind of home you want and how to build it.



PUTTING TOGETHER YOUR SUPPORT TEAM

Having the right people around you is crucial. Your ANZ Construction Coach can play a key role in helping you through the building process – other key people may include:

- **A builder** – You should approach a number of builders so you can compare their credentials and costs (check out our list of key questions to ask your potential builders on page 12). Make sure they're a Registered Master Builder, certified builder or licensed building practitioner – for more information visit masterbuilder.org.nz and www.nzcb.nz
- **A project manager** – You'll need to establish whether your builder will also act as project manager for your build. If not, you could hire a separate project manager. If you have built previously or have experience in the industry you may save some money by project managing yourself. You'll also need to consider whether you need to engage an architect, draftsman, valuer and quantity surveyor (QS). For building contracts over \$1million a QS will need to validate your quotes.
- **A solicitor** – There are a number of legal matters associated with purchasing land and building a home, so it's important to involve your solicitor before you make an offer or bid at an auction. If you need to find a solicitor check out propertylawyers.org.nz. Legal fees vary, so ask around and get an estimate.
- **Family and friends** – They can help you throughout your journey, whether sharing their own experiences, providing recommendations on good trades people, supporting you through the process or celebrating with you once it's finished.



Allow for cost overruns in your budget when planning. Cost overruns are common which can be stressful if you haven't allowed for them.



KEY QUESTIONS TO ASK YOUR BUILDER

1. Are they a Registered Master Builder, certified builder or licensed building practitioner (www.masterbuilder.org.nz, www.nzcb.nz)?
2. How long have they been in business in the construction industry?
3. Who are the owners and directors? Have they ever been insolvent or bankrupt?
4. How many projects do they have in progress, and do they have capacity to complete another?
5. Have they ever failed to complete builds or had any significant delays?
6. Do they have resources or contingency plans to cover if someone is injured or sick or unable to work unexpectedly?
7. Do they have insurance, is it included in the contract or will you need to arrange?
8. Is there a guarantee provided on the project, and what does it cover?
9. Will they be managing all the suppliers or trades people or will you need to? Do they have good relationships and history with the suppliers?
10. How will you communicate throughout the build?
11. Have they got references from their existing and past clients?





RESOURCE AND BUILDING CONSENTS

Every building project must comply with the Resource Management Act 1991 and the Building Act 2004.

- Resource consents are permits issued by your local council for activities that affect the environment. Examples include complying with height restrictions, distance to boundaries or subdividing. You may require a resource consent prior to starting your building project.
- Building consent is a formal approval granted by your local council to allow you to carry out the building work in accordance with local building code.

Your local council's planning department will be able to provide advice and information on any consents you may require. You can also find more information at building.govt.nz

The consent process is typically handled by your architect or builder. It can take a lot of time and be expensive. Check if these costs are included in the contract or if they will need to be funded by you.

VALUATIONS

With all home loans, the amount you can borrow is based on the value of your property. When building or renovating the value of your property increases as your project progresses. So we approve a total borrowing limit based on the 'Tentative on Completion Value' (which is what your home will be worth once the work is completed).

At various stages of the project you may need to provide us with a Registered Valuation Report to show the value of

the work to date, commonly referred to as the 'As is Value'. This is to make sure the amount you borrow is appropriate to the value of your home.

Make sure you know when valuations may be required, arrange them ahead of time to avoid potential delays and factor the cost of valuations into your budget.



INSURANCE

Things can go wrong even with the best laid plans. You must have appropriate insurance to protect your project against some of the things that can go wrong.

- **Insurance cover held by your builder**

– Is referred to as 'builder's risk insurance' and covers the general build project and would usually be stated within your contract. Each builder may set up their insurance covers differently, so it is important to review in detail what is covered and if there are any gaps.

- **Contract works insurance** – Covers the build in cases where the builder's insurance is not adequate or when you're managing the build yourself.

This cover also provides protection for extensions and renovations to your existing house. Remember that structural work being carried out on your house may not be covered under your existing home insurance cover. Contract works insurance would therefore be required until the house has received its final Code of Compliance from your local council.

Your ANZ Construction Coach can help you arrange the appropriate cover.



It's also a good time to review your life and income insurance. Upon completion of the build, you'll also need to consider house and contents insurance.



FINALISE YOUR BUILDING CONTRACT

To get construction lending, you must have a written contract for residential building work costing \$30,000 or more, including GST. If your project is less, it's still a good idea to get everything in writing so everyone understands the requirements and expectations. Before signing a contract you need to review the clauses carefully and ensure everything you've agreed is covered.

Here are some of the key things your written building contract should cover:

- A detailed outline of what work is being carried out and by whom
- All associated costs (including labour, materials, insurances and/or any exclusions). There may be a number of Provisional Costs (PC sums) where the exact cost is not certain yet. Common PC sums include excavation, plumbing, wiring, kitchens, bathrooms and plans and specifications
- Payment terms or schedule
- Your name and physical address along with all other parties involved
- The address of where the work is being carried out
- The date the contract is signed by both parties
- Expected start and completion date and how potential delays will be dealt with.

TYPES OF BUILDING CONTRACTS

There are different types of building contracts, including Fixed Price, Costs & Quotes, Relocatables, Pre-Built Homes, and Turnkey homes. From page 16 we'll look at process and considerations for each type of contract. For other build types, such as subdivisions and kit-set homes, talk to your Coach for more details.

FIXED PRICE CONTRACTS

An 'all inclusive' contract to build a new home. The cost of the project remains 'fixed' even if labour and material costs increase during the project. Before signing a fixed price contract ensure you seek legal advice and are clear on what's included so there are no cost surprises.

ADVANTAGES:

- More price certainty
- If your builder manages the project, this removes the effort and stress of managing it yourself
- You can benefit from the better buying power of larger building companies.

KEY THINGS TO CONSIDER:

- Cost overruns can still occur
- You may need to pay for items outside of the contract, e.g. curtains, landscaping, decking and any additions during the build
- Provisional Costs (PC sums) may still change and are calculated by the builder for materials or services, where the exact cost is not yet certain. Excavation is commonly listed as a PC sum due to the unknown nature of what's in the ground

- Contract variations (to upgrade or add features) will require our approval. Talk to your ANZ Construction Coach if you intend to make changes.

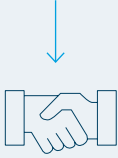
WHAT WE'LL NEED FROM YOU:

- Sale & Purchase Agreement
- A copy of the contract
- Floor plan and specifications
- Valuation Reports – at the outset and throughout the build
- Evidence of insurance cover held for the project.



If you're buying a land and build package the process is the same as fixed price contracts, but with an additional land settlement at the start of the process. Talk to your Coach about what's required before settlement day.

**BEFORE
THE BUILD**



Meet with your ANZ Construction Coach to confirm what you can afford and obtain pre-approval



Research builders and obtain quotes (refer to checklist on page 12)



Confirm requirements with your chosen builder



Finalise the contract with your builder. Ensure you know what's included and excluded



Share and discuss the building contract and Sale and Purchase Agreement of an approved section with your solicitor to ensure you understand the legal implications of the contracts



Send the signed build contract containing your progress payment schedule to your Coach



If purchasing an approved section, sign the Sale and Purchase Agreement and pay the deposit



Obtain relevant council consents (see page 13), valuations (see page 13) and appropriate insurance (see page 14)



Talk to your Coach to obtain full loan approval (subject to any conditions that need to be met)



Your loan will be paid in progressive instalments (called progress payments) as the work is completed

**START
THE BUILD**



Complete any outstanding conditions to finalise full loan approval

COST AND QUOTES

Is when you obtain quotes from different trades people and suppliers who are responsible for completing different parts of the build.

ADVANTAGES:

- You can be more hands on with your project
- Cost effective if you're not paying for a project manager and you have experience in this area.

KEY THINGS TO CONSIDER:

- Cost and quote projects usually experience higher cost overruns compared to fixed price contracts
- If you're planning to manage the project or pay sub-contractors yourself, do you have the time and experience required? It requires lots of decision making and time to co-ordinate
- The lowest priced quote is not always the best. Ask for references of other work completed, check the quality of the materials proposed and make sure they're qualified
- Can take longer to complete and there is a risk of increased costs and non-completion due to co-ordinating multiple sub-contractors.

WHAT WE'LL NEED FROM YOU:

- Sale and Purchase Agreement
- Floor plan and specifications
- Valuation Report – at the outset and throughout the build
- A copy of all your quotes and payment schedule
- Evidence of insurance cover held for the project.

**BEFORE
THE BUILD**



Meet with your ANZ Construction Coach to confirm what you can afford and obtain pre-approval



Do your homework on builders, costs, materials required and any sub-contractors (e.g. electrician, plumber and landscaper)



Ensure you fully understand what each quote covers – e.g. is it an hourly rate, how long will it take, does it include labour and materials?



Share and discuss the building contract and Sale and Purchase Agreement of an approved section with your solicitor to ensure you understand the legal implications of the contracts



Confirm who'll manage the project, including organising and paying sub-contractors



Consult your architect, builder or quantity surveyor (QS) to verify appropriate costs per square metre (which can vary greatly)



Obtain all relevant quotes and send them along with a payment schedule to your Coach



If purchasing a section, sign the Sale and Purchase Agreement and pay the deposit



Obtain relevant council consents (see page 13), valuations (see page 13) and appropriate insurance (see page 14)



Your loan will be paid in progressive instalments (called progress payments) as the work is completed

**START
THE BUILD**



Complete any outstanding conditions to finalise full loan approval



Talk to your Coach to obtain full loan approval (subject to any conditions that need to be met)

RELOCATABLE HOMES

You can purchase an existing house and relocate it to your section.

Advantages:

- Likely to be quicker and cheaper than building.

Key things to consider:

- Is the house in good condition and how far does it need to travel? Are there any issues accessing the house you're relocating or the new site?
- Does your building company specialise in dwelling relocation? What type of contract has been provided?
- Budget for all costs involved to avoid cost overruns. This can include connection to foundations and services, or additional insurance requirements.
- You may need a larger deposit to fund the purchase and transportation of the dwelling.
- Due to the risks of damage during relocation, until the house is fixed to the foundations and connected to services, you can only borrow against the value of the new section alone.
- If anything were to happen to the house in transit, standard contract works insurance may not cover the damage. Transit insurance may be required when relocating an existing home, however this may only cover the house until it reaches the boundary of the new site. Check with the relocation and building company if transit insurance is included, if not, add it to your contract works insurance.

- Remedial work is often required from damage caused in transit. Bad weather conditions is often the main cause of damage.
- Council consents may be required before you can connect to the new site.
- Valuations may be required during the project to support progress payments of your home loan after the house is fixed to the land and prior to final drawdown.

What we'll need from you:

- Confirmation of transit insurance
- Once fixed to the land and connected services we'll need:
 - Valuation Report
 - Code Compliance Certificate
 - Confirmation of house insurance.

**BEFORE
RELOCATING
THE
PROPERTY**



Meet with your ANZ Construction Coach to confirm what you can afford and obtain pre-approval



If purchasing a section research available land and conduct due diligence on suitability



Understand if this is an existing house being re-sited and requiring renovation or a fully completed house



Obtain the relevant council consents and ensure insurance is in place for each step, i.e. relocation, transit and connecting services to the house



Share and discuss the contract/s with your solicitor to ensure you fully understand what it covers. If purchasing a section, send the Sale and Purchase Agreement to your solicitor for legal advice



Do your homework on the relocatable company and what is included. Identify if any additional renovation is required after it has been fixed to the site



Provide your Coach with all the contract/s and/or costs and quotes to get the house fixed to the site, all services connected and any renovation completed to obtain the Code Compliance Certificate (CCC)



If appropriate sign the Sale and Purchase Agreement for the section and pay the deposit



Finalise the contract/s with the relocatable company and for any renovation required



Your loan will be advanced as per the offer letter from your Coach

**RELOCATE
THE
PROPERTY**



Complete any outstanding conditions to finalise full loan approval



Talk to your Coach to obtain full loan approval (subject to any conditions that need to be met)

PRE-BUILT HOMES

This type of build is where a new home is built offsite (in a factory) and delivered to your section, partially or fully completed. These are also known as 'pre-fab' houses and are different to 'relocatable homes'.

Advantages:

- Likely to be faster to build than building onsite
- May be a more sustainable option.

Key things to consider:

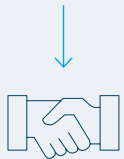
- Check that your contract includes all costs including getting the dwelling fixed to the land with all services connected
- You may need a larger deposit to fund the purchase and transportation of the dwelling. We will lend on the land value of the property once the house has been located on the property and fully connected to all services.

- We can only provide funds to you once the house has been fixed to the land and connected to services.

What we'll need from you:

- Full costings to complete the project – these may be multiple fixed price contracts and/or cost and quotes
- Evidence of insurance cover held by your builder
- Council and building consents
- Valuation Reports at the outset, once the dwelling is fixed to the land, and on completion of the project.

BEFORE THE BUILD



Meet with your ANZ Construction Coach to confirm what you can afford and obtain pre-approval



If purchasing a section research available land and conduct due diligence on suitability



Do your homework on builders/building companies. Ensure you fully understand the costs of the entire project through to completion



Provide your Coach with all the contracts and/or costs and quotes to get the house fixed to the site with all services connected to obtain the Code Compliance Certificate (CCC)



Obtain the relevant council consents, valuation and insurance (including insurance for transit of the house)



Share and discuss the contract with your solicitor to ensure you fully understand what costs it covers (i.e. build, transit, fixing house to the site, connecting services). If purchasing a section, send the Sale and Purchase Agreement to your solicitor for legal advice



If appropriate sign the Sale and Purchase Agreement for the section and pay the deposit



Finalise the contract with the building company



Talk to your Coach to obtain full loan approval (subject to any conditions that need to be met)



Your loan will be advanced as per the offer letter from your Coach

START THE BUILD



Complete any outstanding conditions to finalise full loan approval

TURNKEY HOMES

Turnkey homes are offered by a number of larger builders or building companies. They allow you to choose from a range of plans, which you can have built on your own section or one provided by the builder.

Advantages:

- Gives you price certainty, removes a lot of the effort, and allows you to take advantage of the buying power of larger building companies
- The builder manages all the suppliers and subcontractors
- There are no progress payments – you pay a deposit when you sign the contract and the balance is paid on completion
- Saving on interest costs by not having to make regular payments throughout the build.

Key things to consider:

- Late changes can be more difficult and expensive. Take the time to get your plans right before work begins
- Contracts can be less customisable than a fixed price contract.

What we'll need from you:

- Copy of the Sale and Purchase Agreement or contract
- Evidence of house insurance
- Valuation Report
- Code Compliance Certificate.



OBTAINING FULL LOAN APPROVAL

This confirms the amount we commit to lend you. Depending on which type of contract and build you've selected, you may need to meet additional conditions to get full loan approval.

Your ANZ Construction Coach will advise you what conditions need to be met for your build.

These may include providing copies of any required consents, insurances, valuations and contracts. These conditions will be outlined in your loan approval letter, and once they've been met, we can release the funds for the first loan drawdown.

The process for getting full loan approval:

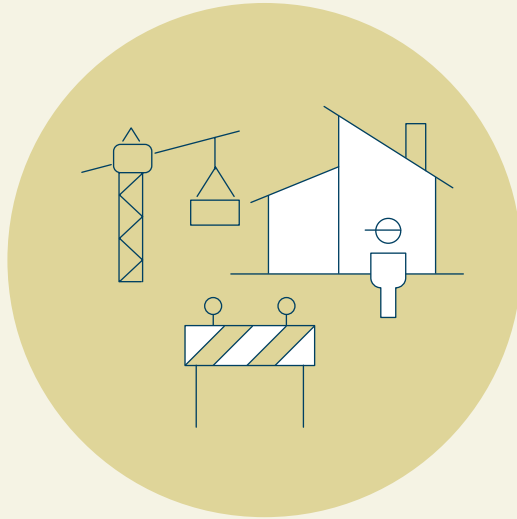
- Review all contracts and requirements with your solicitor. Once you have all your documents (contracts, consents, insurance) ensure your solicitor is comfortable with the documentation
- Sign the contract with your builder and pay the initial deposit
- Obtain your Valuation Report and Tentative on Completion Value
- Confirm with your Coach that all conditions have been met
- Secure full loan approval.



What we need from you:

- Copy of the signed building contract
- Copy of resource and building consent
- Confirmation the property is insured while building
- Valuation Report.





STARTING

YOUR PROJECT

3

See all your planning come to fruition
as your new home takes shape.



DRAWING DOWN YOUR LOAN

This is when we provide you with your home loan funds to start paying bills for your project.

While your build is in progress, your home loan will need to remain on a floating or flexible structure to allow for progressive payments. Refer to page 34 for more information on loan structures.

You may also want to consider the interest-only repayment option for 12 months while you're focusing on completing the build. Remember we can provide you with loan payment instalments over a maximum period of 12 months. Please note when the interest-only period ends, your repayments will increase when you begin repaying the principal of the loan as well.

What we need for the first drawdown

- A copy of your building consent
- Confirmation the property is insured while under construction
- The items listed in the next paragraph under subsequent progressive drawdowns.

What we need for subsequent progressive drawdowns:

- Copies of your builders' invoices that match the schedule of payments in the original contract
- We may also need valuations at different stages (your Coach will advise if this is needed).

Contract variations

If you want to make changes that could affect the value of your home or increase the total cost (such as more expensive fittings or adding a room), we'll need to approve any increases to the contract. Talk to your ANZ Construction Coach before you commit to any new costs.



The amount of your loan we can advance at each stage may depend on how much your home has increased in value. Therefore, it's best to avoid committing to certain expenses too early, e.g. committing to kitchen costs before you've paid for the roof. Talk to your Coach about how to manage this.



INVOICES AND COST OVERRUNS

Keep a record of all invoices, contract variations, payments and any correspondence with your builder, architect and suppliers. Always check your invoices match the original contract to help manage any cost overruns.

What happens with cost overruns?

Despite the best planning, unexpected costs can still happen. What's important is how you manage these. When you receive an unexpected cost, firstly check your contract to see if it's covered.

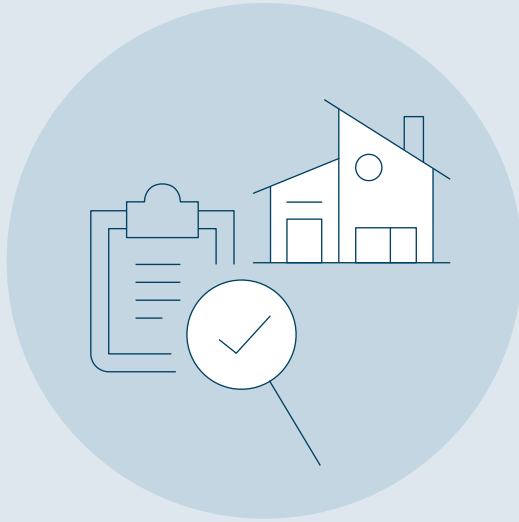
Discuss the cost with your Coach and if you need to borrow additional funds, this will be assessed on the current value of your home and whether you can meet the repayments with the additional lending.

REMEMBER, AS YOUR LOAN INCREASES WITH EACH PROGRESSIVE DRAWDOWN, SO WILL YOUR INTEREST COSTS. TALK TO YOUR COACH ABOUT THE BEST WAY TO MANAGE YOUR INCREASED LOAN.



You can view the total balance of your home loans in ANZ goMoney and ANZ Internet Banking.





COMPLETING

YOUR PROJECT

4

As the build or renovation ends, you finally get to move in and enjoy your new home!



COMPLETING THE PROJECT

Great news, you're nearing the end of your project. Before you move in, there's a number of important things you need to complete.

When the work is complete, make sure that:

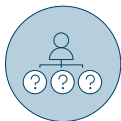
- You've arranged house insurance prior to the final completion of your build. It's also a good time to talk to your ANZ Construction Coach if you haven't already about protecting your lifestyle and income
- A final building inspection is completed by your builder
- A Code Compliance Certificate is applied for. This will confirm the property is built according to the Standard Building Code and help you to avoid any insurance or resale problems down the road
- Council inspections and consents are completed if required
- The builder leaves the site tidy and that you have copies of all user manuals, guarantees and warranties for work associated with the house.

What we'll need from you:

- Before your final drawdown we'll require a final valuation, including the valuer's completion certificate to confirm the project has been completed
- Code Compliance Certificate
- Confirmation the house is fully insured with ANZ's interest as the mortgage provider noted on the policy (your solicitor will also need a copy of this).



If you need additional lending to help furnish your home, talk to your Coach.



DIFFERENT TYPES OF HOME LOANS

Now that you've drawn down your loan in full, talk to your ANZ Construction Coach about setting up a loan structure that works for you. Here's a summary of the different loan types. You can mix and match to get the best of each.

| ANZ Home Loan with a fixed rate | ANZ Home Loan with a floating rate | ANZ Flexible Home Loan |
|--|--|---|
| <p>Know exactly how much your home loan repayments will be by fixing your rate for a set period.</p> | <p>Allows you to make extra repayments to pay off your home loan sooner.</p> | <p>A Flexible Home Loan is designed for customers who are disciplined with their money. When managed carefully, this account may enable them to pay less interest and pay off their loan faster.</p> |
| <p>The interest rate is fixed for a set period. During that period your repayment amount stays the same.</p> <p>When the fixed rate period ends, you can choose to fix it at another rate, or let your loan roll onto the floating rate.</p> <p>Fixed home loans generally have lower interest rates than floating or flexible home loans, but they offer less flexibility to make extra repayments.</p> | <p>The interest rate on a floating home loan can move up or down in line with market changes – which means your repayment amount can change.</p> <p>The interest rate is generally higher than fixed home loan rates but you have the flexibility to make extra repayments whenever you like – a minimum repayment amount may apply.</p> | <p>This home loan is a revolving credit facility on your ANZ transactional account, a bit like an overdraft.</p> <p>You can pay money into it whenever you like and redraw it if you need to. You're charged interest on the outstanding balance, but there are no set repayments.</p> <p>It often has the highest interest rate and a monthly fee, but it offers the most flexibility.</p> |



Visit anz.co.nz/payitfaster to find out how you could set up your home loan to pay it off faster.

BUILDING AND RENOVATING – CHECKLIST



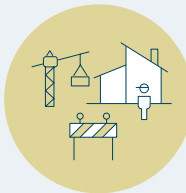
1. Financing your project

- Talk to your ANZ Construction Coach as soon as possible about your intention to build
- Confirm how much you'll need for your deposit (and check whether you're eligible for a KiwiSaver first home withdrawal or First Home grant)
- Apply for a home loan pre-approval (your Coach can help with this)
- Provide proof of identity, income and expenses



2. Planning your project

- Put together your support team
- Plan what you want and ask your builder key questions
- Finalise your building contract
- Consider resource, building consents, valuations and insurance you'll need to obtain
- Understand the impacts of different contracts (fixed price vs cost and quote, relocatables and pre-built homes)
- Obtain full loan approval



3. Starting your project

- Copy of builder's invoices
- If you're paying other invoices, copies of these too or a schedule of all invoices you're paying
- Progress valuations if required



4. Completing your project

- Final valuation including Completion Certificate
- Code Compliance Certificate issued by consent authority to confirm build complete
- Confirmation that the house is fully insured with ANZ's interest as mortgagee noted on the policy



WE'RE HERE FOR THE LONG TERM

As you put your feet up and settle in to your new home, let us know how you're going. The journey doesn't end at settlement, and your ANZ Construction Coach may be able to tailor your loan to meet your changing needs or talk you through ways to pay it off faster.

When the day comes that you want to make your next move, invest in another property or restructure your home loan, your Coach will be there, ready to help you reach that next milestone.

HELPFUL RESOURCES

Building and renovating can be daunting and involves lots of different people. Here are some useful resources to help you on your journey.



Select a builder
masterbuilder.org.nz
lbp.govt.nz
nzcb.nz

Select a registered Master Builder or a certified licensed builder.



Select an architect
www.nzrab.nz/Search

Check whether your architect is registered.



Managing your finances
sorted.org.nz

You'll find free and independent tools and resources to help get your finances sorted.



Managing building consents
building.govt.nz

You'll find information about planning, obtaining building consents and information on consumer protection when building and renovating.



Kāinga Ora
kaingaora.govt.nz/firsthomegrant

You'll find details on how to apply for the First Home grant and eligibility criteria.



Find a solicitor
propertylawyers.org.nz

Search for a solicitor and pick up tips on how to find the right one for you.



Find your local council
lgnz.co.nz

You'll find contact details for all local councils listed here – you'll need to get hold of yours if you're after a Land Information Memorandum (LIM) report from them.



Find out about Homestar
nzgbc.org.nz/homestar

Homestar is an independent national rating tool that certifies the health, efficiency and sustainability of New Zealand homes.



Homefit
homefit.org.nz

HomeFit is the straightforward way to check if a home is warm, safe and dry and it starts with a free online check.

GLOSSARY

As Is Value: A valuation by a registered valuer determining the current value of a project. An 'as-is' valuation before building commences will reflect only the value of the land, whereas an 'as-is' valuation during the project will reflect the value of work to-date.

Building Consent: A consent issued by a Building Consent Authority for building work to begin, in accordance with the approved plans and specifications. You'll need this before building can start.

Code Compliance Certificate: A certificate issued by a Building Consent Authority at the end of the project, confirming that the building work under the building consent complies with the approved plans and specifications.

Cost & Quotes: A building or renovation project where you obtain quotes from different trades people and suppliers who are responsible for completing different parts of the build.

Drawing down your loan: This is when we provide you with your home loan funds to start paying bills for your project.

Fixed Price Contracts (FPC): An 'all inclusive' contract to build a new home. The cost of the project remains 'fixed' even if labour and material costs increase during the project. Before signing a fixed price contract ensure you're clear on what's included so there are no cost surprises.

Full Loan Approval: This confirms the amount we commit to lending you. Depending on which type of contract and build you've selected, you may need to meet additional conditions to get full loan approval.

Overruns: You should allow for a fixed amount or percentage built into your budget to allow for overruns and variations. Most building projects will experience cost changes as they go, and it is prudent to ensure you have funds available to cover these.

Pre-approval: A pre-approved home loan allows you to plan your build or renovation with confidence. It gives you an indication of what we're willing to lend you, subject to certain conditions.

PC Sums: Prime Cost or Provisional Cost (PC) Sums are usually calculated by the builder for the supply of work or materials to be provided by a contractor

or supplier, where that exact cost of that work is not yet certain. For example excavation is commonly listed as a PC Sum due to the uncertainty of what might be in the ground.

Progressive Drawdown: Your build or renovation loan will be approved up front, and you'll draw it down in instalments to pay the bills associated with your project. These instalments are called progressive drawdowns.

Quantity Surveyors (QS): A professional who estimates the quantities required of materials and labour to build your home, based on your plans and specifications. Sometimes referred to as a Quantity Estimator.

Valuations: A valuation completed by a professional valuer who provides a Registered Valuation Report (RVR) of the land and building.

Resource Consent: A land-use consent, issued under the Resource Management Act 1991, by the local Council. You may need one if you plan to build outside specific local zoning rules (e.g. close to boundaries), or subdivide your property.

Restructuring: Changing the make-up of your lending. While building, your construction loan will usually be a single loan, often a flexible home loan. Once your project is complete, you can restructure that loan if you wish to by changing it to fixed or floating rate, or a combination of the two.

Subcontractors: A subcontractor is a person who is hired by a main contractor (generally this will be your builder or project manager) to perform a specific task as part of the overall project. Examples of sub contractors can include electricians, plumbers and tilers.

Tentative on Completion: A Registered Valuation Report provided by a registered valuer determining what the value of a new home will be once it is complete.

Turnkey: Similar to a Fixed Price Contract where the builder provides a single price to the customer. Turnkey homes are offered by a number of larger builders or building companies. They allow you to choose from a range of plans, which you can have built on your own section or one provided by the builder.

TAKING THAT NEXT STEP

An ANZ Construction Coach will help you to apply for a home loan. You're in control, because how you apply is up to you:



0800 269 4663



Visit anz.co.nz/buildingandrenovating



Book an appointment with an ANZ Construction Coach at any branch



Arrange for an ANZ Mobile Mortgage Manager to visit at a time that suits you. Go to anz.co.nz/mmm

Lending criteria, terms, conditions, and fees apply. A copy of terms, conditions, fees and our Reserve Bank Disclosure Statement are available at anz.co.nz or a request for a copy can be made at any ANZ branch. The contents of this brochure are subject to change.

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This brochure is current as at March 2021 and the details in it are subject to change.

