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## Buying your first home? ANZ could be a smart choice

*ANZ is the winner of Canstar's First Home Buyers Award, 2020*

Is now the best time in recent years for first home buyers? The property market is expected to cool, 20% LVR requirements have been banished, and ANZ is offering a highly competitive deal for those who've scraped together just 10% deposit for their dream home.

Canstar analysis to find the winner of the First Home Buyers Award, 2020, found ANZ looked a smart choice for such "low equity" first home buyers. The analysis, done on the basis of publicly available information, showed the bank offered a notably good deal to those in this low deposit boat.

As Canstar's analysis showed, banks generally add a premium to mortgages that are taken out on the back of a small deposit. Such premiums are payable until the homeowner has a certain amount of equity in the property.

While most banks charge the extra yearly interest, ANZ and Kiwibank charge a one-off fee. Canstar's research found that ANZ's one-off fee, combined with the bank's competitive mortgage rates, puts the lender ahead of the field. In some cases, the difference ran into several thousand dollars.

It should be noted that there are several variables to take into account, particularly the amount of the deposit. Other banks became more competitive with their offers when, for example, first home buyers had larger deposits.

Jose George, Canstar NZ General Manager, said the result showed how apparently small details in mortgage applications can make a major difference to the ultimate cost. "It really is vital to research your financial options when making such a significant purchase," he said.

"This is particularly important for those with small deposits, who may already be stretched. Knowing which bank offers the best deal can make a real difference, and ultimately make your lives a lot easier."

ANZ's Head of Mortgages, Glenn Stevenson, said: "The key thing for us is that we are always endeavouring to be really competitive on price, which is important for first home buyers in particular." He added: "We have a philosophy and endeavour to provide as much transparency on our prices as possible.

"Our mantra is: best price first time; we work hard so first home buyers understand that we give them the best deal that we can."

Among other offerings, ANZ also provides Home Loan Coaching for first home buyers. According to Mr Stevenson, first home buyers often “rely on family and friends to give them advice, or even real estate agents to give them guidance, so we feel that ANZ what we do is get alongside FHBs and really help them understand how the process works. We make ourselves available to call whenever they need, to ask any questions.”

The three golden rules for first home buyers, Mr Stevenson added, are to prepare, get their pre-approval in place, and consider adding value to the property once purchased.

”Invariably they are in a position where they can get on and add value to their property quite quickly. It’s a good way for a FHB to improve their position and add equity into their property just by a little hard work,” he said.

For further details please visit the Canstar NZ site, [here](#).

**For further information, contact:**

Irene Chapple, PR Manager Canstar NZ, 027 403 1533

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