

Buying a home with a friend

Helpful information when purchasing a property with a friend or loved one



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Teaming up to buy property

At Williams Corporation we work hard to make the buying process as simple as possible. We have a huge team of knowledgeable property experts that are waiting to help you on your property journey.

We understand that property is a huge financial commitment, and for many people, home ownership can feel out of reach alone. As the real estate market has

heated up over the last few years we've seen more and more people buying property with a friend, partner, family member or business colleague.

We've put together this guide to property sharing agreements to help give you a general idea of what a simple property sharing agreement might look like.



What is a property sharing agreement?

A property sharing agreement is a contract between two or more owners of a property that outlines your individual rights and responsibilities in relation to the property. Property sharing agreements are recommended when purchasing property with friends, family members, couples or colleagues.

What does a property sharing agreement cover?

Each property sharing agreement is flexible as everyone has different circumstances. The following bullet points provide a general view into what a property sharing agreement will include:

- › Property Purchase price and each individuals contribution
- › Improvements, Maintenance and Outgoing Expenses and how these expenses are distributed
- › What happens upon the sale of the property, and how the proceeds will be distributed
- › What happens in the event of death
- › Nature of relationship between two or more parties

With a Property Sharing Agreement in place, the parties can be confident that their rights and obligations while owning the property are clear as well as being a great way to maintain relationships between owners and avoid unnecessary aggravation and costs arising from potential disputes.



Why are property sharing agreements becoming more and more popular?

Property sharing agreements are becoming more and more popular, especially with first home buyers aged between 25-35 who are more likely to live together with their friends. It's no secret that the property market in New Zealand has been hot for the last few years, and with prices seeming to continually rise this makes the entry point to home ownership unachievable for many people as they can't gather together the deposit or service the mortgage. People who are tired of waiting for prices to fall are joining forces to buy property with a friend, partner or family member to ease the financial responsibility and get onto the property ladder.

WHY THEY'RE NECESSARY

When purchasing a property with your best friend or partner, seldom would you consider your friendship ending or relationship splitting up. If you don't have your rights and obligations clearly stated in a property sharing agreement, sharing a property with another person can potentially get very messy.

We always recommend that individual owners should obtain independent legal advice before signing such an Agreement.



Reasons to buy a home with your friend

Joining up with a friend, partner or family member can make purchasing property more achievable than most think. Not only will you have two incomes to service the mortgage payments, and other costs associated with property ownership but you'll both be able to use both your KiwiSavers, and you may even be eligible for up to \$10,000* each in HomeStart grants.

*figure based on new build only.

IMPORTANT CONVERSATIONS TO HAVE

- › Where do we want to buy?
- › What kind of home do we want to buy?
- › Are we going to live here or rent it out?
- › How long are we going to own it for?
- › What happens if our situation changes and one of us can't service the costs?
- › What will we do if we go to sell and the prices have fallen?



Where to go for help

Kāinga Ora

Home ownership

kaingaora.govt.nz

First Home Loan

**Low-deposit home loans
for first home buyers**

kaingaora.govt.nz/home-ownership/first-home-loan

Settled

**Guiding Kiwis through
home buying and selling**

settled.govt.nz

Sorted

**For budgeting, mortgage calculators
and other helpful guides**

sorted.org.nz

KiwiSaver

**Contact your KiwiSaver provider
to discuss the KiwiSaver first home
savings withdrawal**



About Williams Corporation

Williams Corporation is a property developer that produces high-quality homes in existing suburbs. Close to environments where people can live, work and play, perfect for homeowners and investors alike. Their high quality, affordable product has extremely high demand and is delivered in industry-leading timeframes. Williams Corporation is one of the largest residential developers in New Zealand.

We believe that owning a home that you can be proud of, an investment that increases your wealth, or a space where you can grow your business shouldn't be so difficult. That's why we carry the same unwavering commitment to quality and affordability through every NZ property we build.

We will develop our cities with beautiful homes that are affordable to buy, affordable to live in and affordable to maintain.



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