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## **ANZ changes rules on small apartment lending**

ANZ Bank New Zealand is changing its lending rules on small apartments to help more customers on to the property ladder.

ANZ is reducing the apartment size at which it will require customers to have a higher deposit.

Under the new rules, customers only need a 20% deposit for freehold, standard apartments that are 38 square metres or larger. Previously, any apartments smaller than 45 square metres required a 50% deposit.

“As New Zealand’s largest lender, we want to do our bit to help people on to the property ladder,” ANZ NZ Managing Director Personal, Ben Kelleher said.

“Apartments are often a more affordable entry point into the housing market. In addition, as cities intensify, apartments are becoming more common and popular choices for home buyers.

“Lending for apartments does carry more risk than for other property, and we’ll still need a higher, 50% deposit for smaller apartments below 38 square metres and other, non-standard apartments like leasehold or studio apartments. Higher risks can include the ability for the property to maintain its value and increase over time, building defects, the quality of the body corporate, and leasehold tenure.

“However, it’s important that home ownership is accessible to as many Kiwis as possible. So, we’ve changed our rules to unlock a wider range of apartments at lower deposits, as an affordable property option for more people.”

To note, under ANZ’s rules a standard apartment must have a bedroom separate from the living area. Usual ANZ lending criteria, terms, conditions, and fees apply.

These changes are effective immediately.

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