

## Outbreak of Competition Drives Fixed Rates Down

An outbreak of competition between major banks saw key two year fixed rates fall in October, according to the latest Blue Chip Financial Solutions (NZ) Limited, Mortgage Interest Rate Survey. Although the two year fixed rates dipped below 8% for the first time in months, the competition was of a limited nature with the major banks all settling on the same 7.99% rate for two years fixed, according to Blue Chip Financial Solutions, Chief Executive, Jonathan Woodhams.

"The rollover of a large number of mortgages on previously fixed rates in recent months had seen the banks determined to hold onto their existing business and this accounts for them sharpening their pencils on the popular two year fixed rate. The fact that the Reserve Bank and leading economists are predicting a possible rise in the Official Cash Rate, in order to control inflation and any glimmers of recovering business confidence, suggests that the current rates are probably very attractive and homeowners might be smart to take advantage of the current slight weakness in fixed rates," Mr Woodhams said.

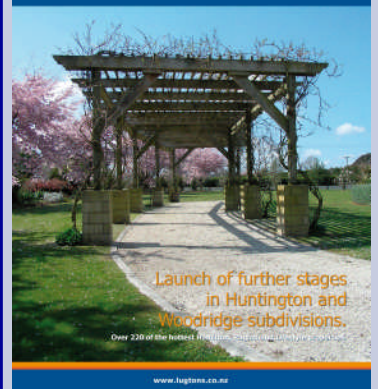
The cost of a 1 year fixed term mortgage of \$100,000, based on the average rates offered by the five major trading banks slipped back to \$855.21 in October compared with \$861.50 in September, below the year's high of \$863.40 in August. This is for a national mortgage with a 20-year repayment term.

Floating rates varied from the lowest, Tasman Mortgages at 8.6%, to the major banks offering a uniform 9.55% while fixed 6 month rates were in the 8.2% - 8.5% range. Fixed one year rates mostly fell with the major lenders offering 8.3%.

November 2006

## Lugton's Colour Magazine

Lugton's  
Est 1955 - MREINZ



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Full Colour Glossy Magazine featuring over 200 properties from around our great Region

## HAMILTON SALES FOR SEPTEMBER

(REINZ Statistics)

	2006	2005
Number of Sales	338	415
Median Sale Price	\$297,500	\$280,000
Number of days on market	31	19
Established properties	322	400
New Properties	16	12
Sections	19	31

January 2006 to September 2006 saw a 12% downward correction in volume of sales compared to the same period in 2005. However an increase in the median sale price of \$17,500 (6.25%) from 2005. To emphasise Lugton's committed involvement and the dedication of consultants servicing the Real Estate Market, Lugton's were involved in close to 40% of all transactions during September 2006.

## Property Management

Lugton's Property Management Team of Helen Robinson (pictured top) and Annette Day are professionals in the field of Residential Property Management. If you are finding that managing your Residential Property is becoming a handful and would like it managed by a professional Management Team, phone me and I will arrange for either Helen or Annette to call you!



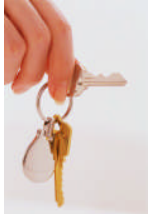
## Central Office

1010 Victoria Street, Hamilton

Office: 838 3800 Fax: 838 2765 Email: [property@lugtons.co.nz](mailto:property@lugtons.co.nz)



## HOME BUYING: The Legal Stuff



When you are buying or selling property, before you hand over the keys, there are a number of important legal steps involved that you may need advice or assistance with...

### Sale and Purchase Agreements

This is an important legal document legally binding on all parties when correctly signed by the parties to the Agreement. Make sure you understand the Agreement before signing. If in doubt ask questions or seek advice. Make sure that any Conditions you require are part of the Agreement before signing.

### LIM Reports – Land Information Memorandum

A LIM Report shows all information the Council has on your property, such as, zoning restrictions drainage problems and whether permits have been obtained for all buildings. If you require a LIM Report it can be part of the conditions inserted in your Sale and Purchase Agreement.

### Property Titles

Certificate of Titles (CTS) are records of property ownership. They show a history of owners, mortgages on the property and any other restrictions that may apply. Land Information New Zealand (LINZ) is the Government Agency, which holds all titles in New Zealand. If you have all relevant details such as CT number, Lot number and DPS you can access this information on line on the LINZ website.

### Checking Conditions are Met

Your Legal Advisor will check that all conditions are met by the agreed dates, so the Agreement can be declared Unconditional. These conditions may include Finance, LIM, and Builders Report etc.

### Mortgage Documentation

If you are borrowing money from a financial institution your Legal Advisor will prepare the necessary documentation. This must be completed prior to settlement. Arrange the necessary appointments with your Legal Advisor. If you are selling your home it will be necessary to complete the transfer papers and documentation to discharge mortgages, if any. Your Legal Advisor will register the title and advise the necessary authorities.

### Settlement and Possession

Your Legal Advisor will arrange the exchange of money on the due date and arrange the exchange of keys.

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