

Total Talk

July / August 2019

Buying a new home? Not sure where to begin?

Thinking about buying a new home can be stressful for anyone. You have to discuss the move with your family, think about location, find the right house, deal with paperwork, sign on the dotted line and then there's moving day!

We often get asked by buyers what they should know and what they should attend to first when thinking of buying a property. Our team are always here to help with any questions you may have and we have put together a few helpful hints that will hopefully make the process a little easier to navigate.

1. **Pre-approval:** Talk to your bank or a mortgage broker as soon as possible – know what you can borrow! This will help with decision making and take the stress out of jumping through hoops to obtain finance when the property is under offer.
2. **KiwiSaver:** If you're a first home buyer and planning to use your KiwiSaver funds you'll likely need extra time for your contract clauses. Make sure your real estate agent is aware.
3. **Find a solicitor:** Ask family, friends and work colleagues for recommendations. Choosing a solicitor before entering into a contract will speed the process up.
4. **Deposit:** This is due either when your offer is accepted or when the conditions have been confirmed. It is important that you make arrangements to have the deposit ready by the due date.
5. **Pre-settlement inspection:** You are legally entitled to a pre-settlement inspection of the property before you move in and this will normally be arranged through your real estate agent. If there is anything amiss at the property you will need to inform your lawyer at least one working day before settlement in accordance with Clause 8 of the agreement.
6. **Settlement:** Don't get caught out on the day! Ideally, if you can move the following day it makes it a much easier transition. If not, be aware that the keys cannot be passed to you until the seller's solicitor gives approval for "key release". Often buyers have a removal company booked and the truck is ready to go early in the morning. But solicitors may still be working on the settlement until later in the day. To avoid disappointment discuss this early on with your solicitor or real estate agent before making any arrangements.

OCR at all Time Low of 1%

On the 7th of August, the Reserve Bank announced a larger than expected 0.5% drop in the OCR (official cash rate), down to an all time low of 1%. One of the roles of the reserve bank is to manage NZ's monetary policy to keep inflation and employment within targets set by the government.

There has been a slowdown in GDP growth and in order to stimulate the economy the reserve bank is trying to encourage spending and investment by adjusting the OCR downwards. This reduces interest payable on mortgages and frees up more disposable income for the typical homeowner. Whether or not this money will flow into the economy is not clear because most savvy home owners will likely take this opportunity to use the extra money to pay down their debt instead of increasing their spending.

The OCR reduction strategy can only be used for so long before it reaches the floor of zero or slightly negative interest rates, and we are almost there already.

Other tools available to stimulate the economy are large capital spending projects by the government, e.g. roading, tunnels etc, tax cuts, or even "helicopter money" where money is simply put into people's bank accounts to spend. The issue with these options is that they will need to be funded by national debt, simply shifting the problem into the future.

Despite the negative economic outlook, the lower OCR will likely stimulate the housing market upwards as borrowing becomes more affordable.



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Winners: L. Hammond, J. Corkran and L. Wild

By following our page you will receive all our new listings, sales and market updates.

Just go to:

<https://facebook.com/totalrealtyltd>

Brain Workout - Sudoku

Can you work out this "Tough Sudoku"?

Fill in the numbers from 1 to 9 without repeating any in a row or column, or any of the nine squares!

Good Luck.

		8	6			7	2
				8		9	
	4				1	3	
					3		7
1		2	9		8	3	4
6			1				
	5		3				4
	2			5			
4	6				9	5	

Laughter is the best medicine



THIS IS MY DREAM HOUSE ALRIGHT, EXCEPT IN MY DREAM IT WAS ABOUT HALF THIS PRICE.



"Thinking of selling? Call us today!"

Rachael Cone, AREINZ
Director
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Stats - FROM THE - Street

Median Sale Prices

Jul 2019 (vs Jul 2018)

National (+4.5%)	\$575,000
Auckland (0.0%)	\$830,000
Wellington (+14.5%)	\$630,000
Christchurch (+3.4%)	\$450,000
Nelson (+1.9%)	\$540,000
Dunedin (+11.9%)	\$462,000

What people are saying about us

"I chose Total Realty because I trust the ethos of the company, with their realistic selling fees, and sales people who are in touch with the market place at time of selling. They do not offer unrealistic sale expectations to prospective vendors, but honest appraisals based upon the market at the time of selling. Total Realty is doing all the right things, great service, professional yet friendly salespeople. They are knowledgeable with the current real estate market locally/domestically, essential when negotiating an achievable selling price to prospective vendors."

S. Mends