

# Street Smart Newsletter

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## Simple ways to cut down your mortgage

Getting rid of that big debt involves paying more, more often.

### Divert pay rises and bonuses to your mortgage

Every time you receive a pay increase or a bonus, divert the additional income to your mortgage.

### Trim your rate

Banks have a small amount of leeway when it comes to interest rates. Negotiate with yours for a lower rate in order to retain your business.

### Review the structure

Rather than putting the entire mortgage on a fixed rate, leave a portion floating or in revolving credit. The latter works like an everyday account and home loan in one, allowing you to reduce the balance on payday, so the outstanding capital is lower for a good part of every month. Only financially disciplined people should use revolving credit mortgages.

### Pay fortnightly

Paying half your monthly mortgage payment fortnightly will save you money in two ways.

First, banks calculate interest on the daily outstanding loan balance, so more frequent payments reduce the debt faster. Second, there are 26 fortnights in a year rather than 12 months. It means you're paying nearly 13 months of loan repayments every 12 months.

### Shorten the mortgage term

In today's market, many home buyers are choosing 30-year terms or even interest-only payments because they simply can't, or think they can't, pay any more a month.

Shortening the term as soon as is possible, or overpaying to create the same effect, will pay off handsomely. A 25-year, or even 20- or 15-year term, results in significantly less interest being paid.

### Keep paying when the interest rate drops

If your monthly payment drops by \$250 after an interest-rate cut, but you keep up the original repayments, you could save tens of thousands of dollars of interest over the life of the loan.

### Round your payments up

If your monthly payments are, say \$1629.17, you might round up to \$1650 or \$1700. The overpayments reduce the outstanding principal and therefore the interest payments each month.

They also create a buffer in your mortgage account, which can be fallen back on if you can't make a payment at some point in the future. Beware, that your bank doesn't charge a penalty for overpayment. Some do.

### Resist buying a new car or boat and adding it to your mortgage

This returns you to square one. \$20,000 paid off on a three-year personal loan at 12.5 per cent will cost approx. \$4086.61 in interest. A \$20,000 car or boat added to a 5.5 per cent mortgage over 15 years will cost approx. \$9414.68 in interest.

## Do I still need a signboard to make a sale?

Signboards are one of the oldest ways to market a home or property. In the era of online real estate portals and glossy property guides, vendors often question whether the old-fashioned signboard is a worthwhile endeavour.

A signboard is an important component of any integrated marketing campaign for your property. The signboard serves to signal your property is for sale and attracts the attention of all potential buyers.

While having a presence on the internet or in the press is very important when selling a property, not all buyers find properties through the mass media like these – for example, in many cases local residents look quietly for local properties for a change in size or location or as an investment.

Importantly, the signboard serves to capture potential buyers who may not be looking for properties in print or online searches. Buyers often find signboarded properties of interest when driving to the shops, to friends' houses, the football or work.

Signboards are an investment in your biggest investment – your home.



# Get gardening for springtime



Now is the time to swing open the doors and enjoy outdoor living again.

It doesn't matter if you live in a unit, townhouse, villa, house or a rural property, it is likely your home has some outdoor living space to maximise and enjoy in warmer months.

Here are a few top tips to enjoy al fresco living even more, whether your garden is big enough to run cattle or small enough just for pot plants.

## Grow your own

Pot some plants, sow some seeds or start an orchard. Whatever your property's size or your personal commitment to gardening, the start of spring is the right time to roll up your sleeves, put on some gloves and get your hands dirty.

Plant flowers with bright colours for springtime or grow edible produce for a practical and cost effective gardening option.

You will also enjoy the health benefits of fresh produce like fruit, vegetables and herbs and, if you grow too much, you can also freeze, dry, pickle or even sell or gift wrap the surplus as presents.

Paint the fence, mow the lawn, plant some coloured annuals and install a bird bath to make your outdoor haven a colourful, pleasant place.

Spring is also the time to take cuttings and propagate plants that grow and spread – another easy way to add colour and provide more foliage in the garden without paying a cent.

The only cost is a bit of your spare time but the reward is an outdoor space you'll just love relaxing in with family, friends or on your own for a bit of peace and quiet.

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## Discourage burglars as the weather warms up

With the onset of spring many home owners are taking advantage of warmer conditions.

But as we start to venture out on getaways, burglars are coming out of their winter hibernation and scoping out easy opportunities around neighbourhoods.

LJ Hooker has prepared some common sense tips for home owners to consider before heading off on a getaway:

- Cancel all regular deliveries such as newspapers as cluttered lawns and driveways are giveaways that owners aren't home
- Ask a trusted neighbour to keep an eye out on your property and collect the mail (if you don't feel comfortable with any neighbours, ask NZ Post to hold your mail until you return)
- Make sure ladders and bins are secured and can't be used by intruders to climb through windows or other entry points
- Think about getting someone to tend to your garden and front lawn if you will be away for an extended period, especially as warmer weather increases growth
- Keep valuables including spare house and car keys, jewellery and other items in a safe or somewhere other than the home
- Time controlled switches are useful in creating the impression that someone is at home.



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