



MORTGAGE NEWS FEBRUARY 2009

Housing market update:

So what's happening out there, are we going to see another year like 2008?

This year has started out on a very positive footing, first we heard the results of the Halifax price index who reported the first increase in property prices in 12 months. Granted it was only a 1.7% rise for the past month but with 12 months of dropping prices this gives a glimmer of hope for the housing market.

January also saw a flurry of activity amongst the mortgage lenders each competing with fantastically low fixed rates at lower 'Loan to Values'. Estate agents reported that customer numbers in their shops had dramatically increased and that these customers were actively searching for a bargain.

Combining the above two factors its no surprise that mortgage approvals for January also rose and hit 23,376 for the month.

All looking good so far, house prices increasing, mortgage approvals up, competitive rates, the first positive news we have heard in months. Our opinion is that we have now hit the worst of the financial meltdown and light is at the end of the tunnel.

Property bargains for 'First time buyers' are out there and at the lowest they have been for years, and the key to a fast recovery we believe is the 'First time buyer'. In order to bring the first time buyer back into the market mortgage products at the higher 'Loan to Values' need to become more competitive, the highest the lenders are prepared to go at the moment is 90% of the purchase price and the rates at this level remain fairly standard. However at 80% and 85% deals are becoming more attractive and as the lenders compete at these levels the rates will reduce.

However there is a balancing act for the buyer, lower rates vs higher property price. Its obvious that as rates reduce and mortgage lending becomes more relaxed then property prices will

PRODUCTS AND SERVICES:

A brand new website we came across is www.whitehotproperty.co.uk full of property bargains and has a section called 'Seven day notice', for properties that have been repossessed and are having their final notice before being sold. The ideal place for a 'First time buyer' to bag a bargain.

Super low rates on offer:

3.19% Fixed for 2 years up to **60% LTV** available for purchase or remortgage.


3.49% Fixed for 2 years up to **75% LTV** available for purchase or remortgage.

4.99% Fixed for 3 years up to **80% LTV** available for purchase or remortgage.

5.64% Fixed for 2 years up to **85% LTV** available for purchase or remortgage.

6.59% Fixed for 5 years up to **90% LTV** available for purchase or remortgage.

Call us on freephone

 **080...** for full details of these products.

COMING NEXT NEWSLETTER:

Monitoring your credit file.


First time buyers, help getting on the ladder.

The overall cost for comparison is

increase as more and more buyers return to the market.

So for those of you thinking about taking the plunge, you need to ask yourself the question 'Do I buy now before an increase in house prices or do I wait to see if mortgage rates will fall even further?'

Tricky one, we know!

For a positive outlook on your mortgage visit us online at www.metrofinance.co.uk or call us on freephone  **0800 3283684** .

8.8% APR. The actual rate will depend on your circumstances. Ask for a personalised illustration.

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