

A.E. LePage manager says

Banks not ripping off public

By STEVE ARNOLD
Champion News Editor

Canada's banks are ripping off the public and piling up huge profits on inflated interest rates, right? Wrong, according to Bill Keywan, mortgage manager for A.E. LePage Real Estate.

During a recent stopover in Milton, Mr. Keywan said the question he is asked most often on his travels is where are mortgage rates going, and are the banks really ripping off the public?

"I think the confusion over this happens because the public really doesn't understand where mortgage money comes from," he said.

Mr. Keywan explained that when trend setting interest rates are announced each week by the Bank of Canada, the influence is mostly on lending rates for consumer goods, rather than mortgages.

In the past, most money for residential mortgages came from insurance policies, usually from policies matched to the amount of the mortgage.

"Those were the good old days of 6 to 8 per cent mortgages. Those days are gone forever," he said.

Since those "good old days" however, banks have taken over the field that was once the total preserve of life insurance companies. Now the money that is loaned out for the purchase of homes starts out as Guaranteed Investment Certificates purchased from the banks.

The money invested in that GIC, Mr. Keywan said, is then loaned out by the bank, usually for a mortgage term that matches the term of the investment certificate.

Since the GIC carries an interest rate of 15 to 17 per cent that must be paid to the holder when the certificate expires, "I can't turn around and lend that money out at 15 per cent again. I have to have a spread," he said.

In most cases, Mr. Keywan added, that spread is only 1 to 1.5 per cent, with the bank's profit being only half of that.

"That doesn't sound like much," he said, "but, on the billions of dollars that the banks have invested in mortgages, it's quite a significant amount."

"Using that knowledge then, the truest indication of where mortgage rates are going is where interest

rates of GIC are going," he added. While understanding why mortgage rates are higher than at any other time in history is interesting, Mr. Keywan admits the knowledge does little to soothe the feelings of people being kept from owning their own homes.

There are a few helpful hints for families to follow, however.

Mr. Keywan explained that the demand for mortgage money follows an annual pattern and that interest rates rise and fall according to that pattern.

"The rates are at their lowest in the first quarter of the year," he said, in January and February, when families are recovering from the Christmas season.

In February 1981, he quoted as an example, mortgage interest rates dipped as low as 14.75 per cent.

"The need for mortgage money at that time of year is lowest because construction is down, sales are down and people don't want to move in winter or the middle of the school year," he said.

Another factor to be considered is that any "spare" money people may have is being invested in retirement savings plans because of the tax benefits they offer.

The months between May and September, however, are the time when mortgage money is at its highest because construction activity is up and people are interested in moving.

Another dip can be expected in the last quarter of the year as winter starts to set in.

Mr. Keywan said his contentions are illustrated by the pattern of interest rates in 1981, from the low of 14.75 to a high of 22 per cent, followed by a dip to 18 per cent.

Coping with the high rates and the annual trend calls for special skills among real estate people, he said, "and as a company we are trying to encourage our people to be realistic about what is happening in the 80s."

"First of all, we have to be realistic and realize that the rates are going to stay high," he said. "We have to start thinking that a mortgage at 15 to 17 per cent is as good in the 80s as 10 to 12 per cent was in the 70s."

"We have to realize that, just like we'll never see the dollar gallon of gas again, the 10 per cent mortgage has gone forever as well," he added.

While the high rates do mean prospective homeowners will have a difficult time coping with monthly payments, a house is still a good investment for most people, he said.

"When property values are appreciating by as much as 15 per cent a year, does it really make sense to leave your money in the bank at 16 per cent. You might do a little better in the bank, but you can't live there," he said.

He explained that, given the current rate of inflation, "you're really only making 4 per cent of your money and you're paying rent besides."

Mortgage companies have also had to make adjustment to cope with the high interest rates, Mr. Keywan said, adding that the most significant change has been in the consideration that is given to women's income.

"Over the last four years the incomes of men have kept up with inflation, but the most significant increases we have seen have been in women's incomes. In most cases now women are getting equal pay for equal value."

The fact has caused a significant change in the attitude of money lenders who are now prepared to consider the income of a wife when calculating whether or not the family can afford a mortgage.

"By modifying our expectations, we can cope with anything," he said, explaining that many first time homebuyers are realizing it is better for them to start with a condominium or townhouse and then to buy up as their incomes increase.

"We feel optimistic about the 80s," he said, "and we feel an obligation toward the public so the 80s will be a period of education."

"We see a role for ourselves as educators, making people realize that if they are willing to modify their expectations that they can become homeowners."

The greatest change that must be made, he said, is in the attitude of real estate agents.

"We are trying to train our people to list properties to sell, not to just get the listing and then hope they can sell it."

"The biggest problem agents have to overcome is one of negative attitude. Once we overcome that and show the person how they can afford a home, we can go out and find the home for them."

"For that we have to look at our people, not so much as real estate agents, but as real estate consultants."

"We are telling people that the best time for them to buy a house is right now, because it will never be cheaper. We are telling them that if they are willing to change their lifestyle a bit, there is a pot at the end of the rainbow for them."

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Custom built home with 4 bedrooms, 1-4 pc. and 1-2 pc. bathroom, cozy fireplace in family room, workshop in basement, fruit cellar, large laundry room, situated on 1.13 acres. To view this home please call Ron North 876-1133 or 335-1526.



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4 bedroom, 2 storey home, with 2 baths, a walkout from the spacious family room onto a cedar deck. Situated on approximately 10 acres of land. Just minutes from Milton. This home is loaded with extras, call Ron North 876-1133 or 335-1526.



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Ex-Simpson's boss heads fundraising

Two Milton residents are leading the drive to help the Halton Region Conservation Foundation raise money to recreate one of the most accurately dated Indian villages in all of North America.

Allan Burton, former chairman of the board of Simpsons Ltd., Klaus Jacklein, associate professor of anthropology at McMaster University and local Milton businessmen are key members of the campaign drive.

The Halton Region Conservation Foundation is a volunteer group working in association with the Halton Region Conservation Authority, to raise funds for special projects in Halton. The Foundation expects to raise \$700,000 during a six-week campaign—to begin in May 1982.

The funds will be used to recreate the Iroquoian Indian Village that once stood beside Crawford Lake, in the centre of Halton Region near Steeles Ave. and Guelph Line. The project also includes building an interpretive centre and auditorium—where members of the public will learn about archaeology, Indian culture, the Niagara Escarpment and the unique nature of Crawford Lake.

The lake is the only one of its kind in southern Ontario—and only the second known "meromictic" lake in all of Ontario. Because Crawford Lake is about 80 feet deep and has a surface area of about eight acres, warm water never penetrates to the bottom of the lake. This system of partial circulation is a meromictic structure.

Because the bottom waters are always cold and low in oxygen, sediment is undisturbed. Scientists have been able to count the alternating layers of light summer and dark winter sediment consecutively back to the year 1441. The presence of corn pollen during certain years precisely dates the Indian village.

The fundraising team for the project was formed early in January 1982. The key members, and their

positions are: honorary chairman, Mr. Burton, general campaign chairman, Paul Crowley, president of Babcock Wilcox Refractories, Burlington and vice campaign chairman, Mr. Jacklein.

Darts tourney

Calendar of events coming up include:
Sat. Feb. 13th—Open darts at the Branch. This is for doubles. You must register by 12 noon.

March 27th—Two events. Fish & Chip night, followed by a dance. Also the 50-50 draw.

April 3rd—Sunnybrook hospital trip.

Last Saturday Jan. 30th, a euchre tournament was held and we had a very good turnout. The winners by two points, were Ron Hall and Ken Roberts. The runner ups were Flo Eggleton and Tuckie Kennedy. A good turnout was enjoyed by all.

On Sat. Feb 13th, the open doubles dart tournament will be held and is an open tournament so if you enjoy darts, I'm sure you will be made more than welcome. Remember registration time is 12 noon.

March 27th, which I realize is a few weeks away, I feel needs mentioned now, as in the past our fish & chip night is always a sell out, so don't delay, get your tickets now. Remember, there is a dance to follow, and show me a place you can go for a supper and dance for \$15, a couple, and be with friends.

On the same night, our Ways & Means chairman, Dick Patterson will be drawing the 50-50 winning ticket. Last month, he realizes was a tough month for sales, but through your efforts in selling tickets, he was still able to return \$400. for a \$1. ticket, which you must admit is a good investment. Dick would like to see this draw hit the \$1,000 mark. How about it comrades, surely you can sell five tickets, at least.



Laurier - Satisfaction
Large Mortgage at 15 1/4 % til Dec. /85 is only one of the features of this quality built home. With about 2300 sq. ft. this backsplit model offers a family room which stretches over 26 feet across the back of the home. The floor to ceiling fireplace and walkout add much enjoyment to this room. The craftsmanship of the kitchen cabinets is usually only found in custom homes. We are asking \$133,900. For your free inspection of this home call Bramalea Realty Limited and ask for Al Cunningham, 793-4620.

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The value of your house is not what you think it is - or what the buyer thinks. It is determined chiefly by the location, the neighbourhood, and the current market. An overpriced house sitting on the market for months becomes almost impossible to sell. So first, you must get in line with the market. That means a realistic appraisal. Nobody - but nobody is more

acutely aware of the current housing market than your local Realtor. Your professional Realtor can bring in his own appraisal expert or a team of salesmen who will individually price your home and then reach a fair consensus. You may be pleasantly surprised to find out that what you were intending to price your house for less than its fair market value.

by **JACKIE VERDURMEN**

ENJOY THE SUN

2 lots in Florida, single service lot \$5,500. Canadian funds. Double service lot \$11,000. Canadian funds. Call Bonnie Watson at 878-2274 or Jack McCrudden at 878-6955 or 878-0565.

A LITTLE BIT OF COUNTRY

Upon this 6 acres of Maple Bush you will find a 3 bedroom aptsplit with 3 baths, floor to ceiling fireplace and large patio surrounding a 20x40 inground pool. To view call Bonnie Watson 878-2274 or Jack McCrudden 878-6955 or Office 878-0565.

ENJOY THE ADDED COMFORT

of 2 fireplaces in this TASTEFULLY DECORATED home. 3 bedrooms, L-shaped living and dining room, eat-in kitchen, finished rec. room, please call for further information. Terry Chuchmach 878-5359, 878-0565.

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Love the savings this mortgage will provide while enjoying all the fine features of this bright and charming raised bungalow. Quiet crescent location, extra large lot and professional landscaping are just a few highlights. Priced in the 80's, good secondary financing is available. Call Jean Thomson, 878-0565 or 878-0767.

END UNIT - \$42,950.

Hurry for this one, it's priced to sell. Bright and cheery, you will enjoy the kitchen walkout, the handy location and convenient parking. Vendor will assist with financing. Jean Thomson, 878-0565 or 878-0767.

OPEN HOUSE - Saturday 1.00 to 4.00 p.m., 235 Bronte St. No. 82.

YOUNG COUPLES DON'T DESPAIR

There is still a detached home you can afford. 2 storey home has 3 bedrooms, large porch on an extra large lot with mature trees all for \$59,900 with mortgage till 1985. Call Bonnie Watson at 878-2274 or Jack McCrudden 878-6955 or Office 878-0565.

YOU CAN ALMOST HEAR THOSE SCHOOL BELLS RINGING

And room can watch as little feet scurry the short distance to school. This is a lovely 3 bedroom rancher. The convenience of the location only accents the excellent condition and the variety of terms available. It is value priced at \$87,900, and features the following: 1 1/2 baths, large family room with wet bar just steps from the kitchen which is lined with extensive cupboards and features 23 feet of space to hold even the largest family gathering. An oversized garage, tool shed, hardwood floors and extra large lot are only a few of the extras. Call Jim Kerr or Jackie Verdurmen 878-0565.

PRECIOUS METALS? JEWELS? STOCKS, BONDS?

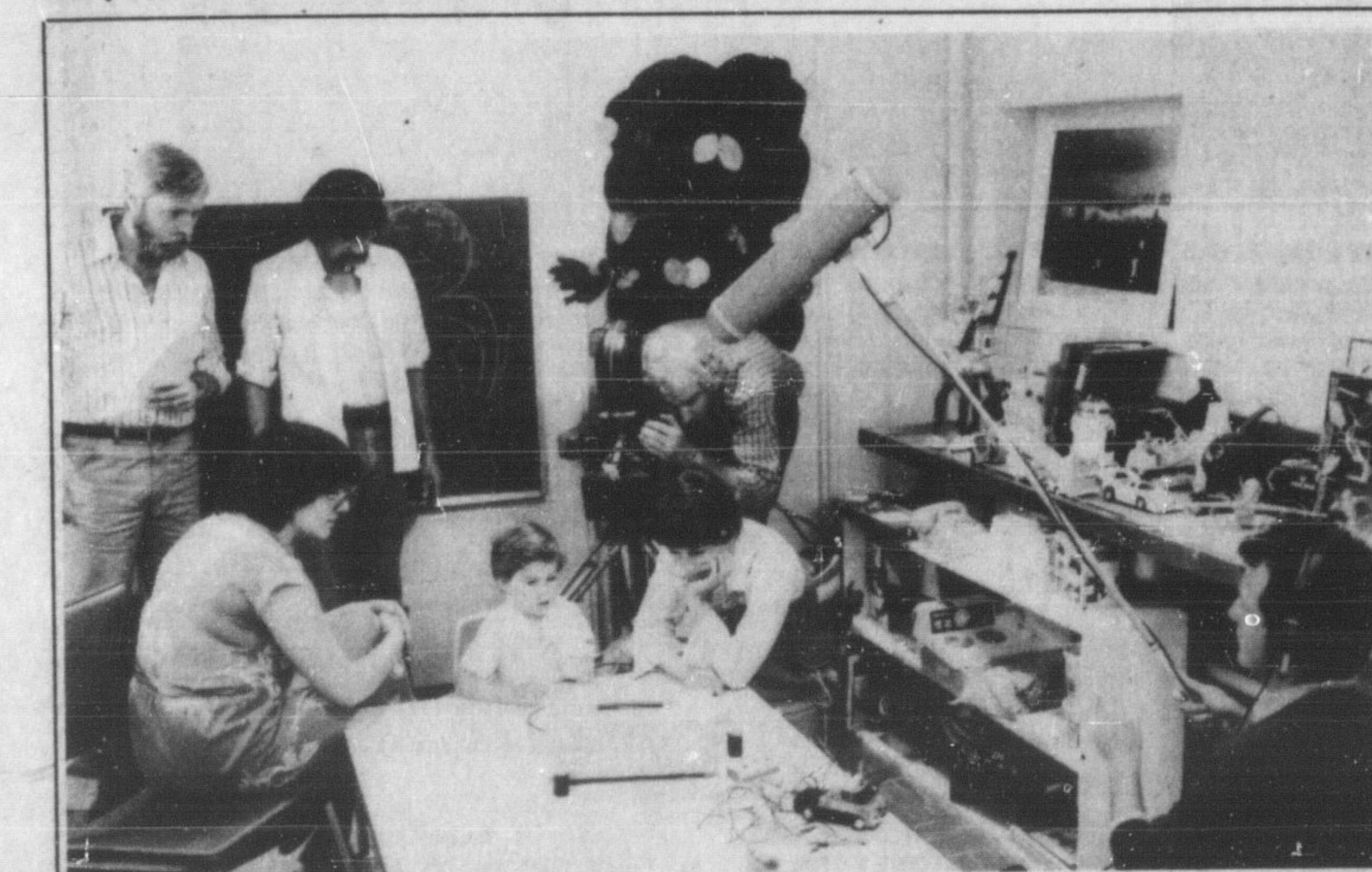
Is it not really more rewarding, more satisfying to invest in the most desired commodity on earth, a charming, unique home of your own? Note the knotty pine front porch, expensive carpeting, fixtures and wallcoverings. Observe the abundant storage for boat or car and imagine the 140' lot perfect for pool and seclusion. Picture yourself in the master suite, newly renovated and awaiting your personal touch. The residence features a built-in Kitchenaid dishwasher, ceramic tiled backsplash, 2 full bathrooms, 3 bedrooms. Yes! Financing is available on this top-notch value. \$84,900. Details, terms, to see, call Jackie Verdurmen or Jim Kerr, 878-0565.

WISH WE HAD 100 MORE

homes such as this beautiful Highside 3 bedroom rancher. The convenience of the location only accents the excellent condition and the variety of terms available. It is value priced at \$87,900, and features the following: 1 1/2 baths, large family room with wet bar just steps from the kitchen which is lined with extensive cupboards and features 23 feet of space to hold even the largest family gathering. An oversized garage, tool shed, hardwood floors and extra large lot are only a few of the extras. Call Jim Kerr or Jackie Verdurmen 878-0565.

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MILTON AREA RESIDENT MIKE TODD ON SET OF 'A HELPING HAND'.

A Helping Hand to air on CBLT this evening

'A Helping Hand', a 20-minute documentary film co-produced by CBC-TV and Film Arts for 'The Nature Of Things' was directed and edited by a Milton area man.

Mike Todd, a 30-year-old native resident of Norval, directed and edited the production, to be aired this evening on CBLT (channel 6, cable 5) at 8 p.m.

'A Helping Hand' chronicles the marvel of freeing children from the handicap of a missing limb. With the help of the Ontario Crippled Children's Centre in Toronto, Pre-schoolers learn to use a new kind of artificial limb that is battery-powered, yet controlled by electrical impulses from the child's own muscles. Giving a new hand to these children gives them a new future and opens up a world of possibilities.

'A Helping Hand' was written by William Whitehead and narrated by Jan Tennant. It was produced by Paul Caulfield, Don Haig and

James Murray were the executive producers. Mr. Todd, who studied film production at Sheridan College in Oakville, began working as a freelance film editor in 1976.

His credits include a number of CBC productions, including The Fifth Estate, The Nature Of Things and Quarterly Report.

He has also edited numerous independent productions, including 'A.J. Casson: The Only Critic Is Time,' 'Leonhard Oesterle' and 'The Only Snow in Town.'

Mr. Todd has directed and edited several short subject films, including 'One Minute to Post' (1975), 'It's All Downhill' (1978) and 'Carillon: Bells Of Song' (1979). All of these productions have appeared on CBC-TV. 'Carillon' was sold to the National Film Board (NFB).

'A Helping Hand' will be distributed by Kinetic Film Enterprises, 781 Gerrard St. E., Toronto.