

# Real Estate

YOUR HOME | YOUR LIFE



# Hiring a Professional

There's plenty of DIY-ing to be done in homeownership, but there's definitely still a time and place for a professional. Here's what to do when it's time to put down YouTube and hire a contractor.

## GETTING ESTIMATES

Start by listing contractors in your area. You can ask friends and family, ask stores in your area who they recommend, or look at listings in the newspaper or online. Once you've got a list, get estimates for at least three. When looking at estimates, compare materials and costs, work methods and timelines. Take a close look at any estimates that are too high or too low.

## HIRE LOCAL

Be cautious about hiring out-of-town contractors, especially after a natural disaster or other event. Local contractors will be easier to contact if there are problems down the road and they're more likely to be familiar with building codes and permitting in your area. Make sure any contractor you consider is licensed by the appropriate agencies for your area and carry appropriate insurance. Get a local, physical address and phone number when you get the estimates.



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## CHECK REFERENCES

Ask for, and check, references. Make sure the references have had the same type of work you're considering and look for references that span a period of time. Inquire about the contractor's work and their conduct on the job. Were they professional on site? How did their employees behave? How has the work

held up? Did they have to return for any reason?

## GET EVERYTHING IN WRITING

Before work starts, have a contract in place, including what is expected of both sides. Consider having a lawyer review the contract before you sign it and make sure it

includes a detailed description of work to be completed, including prices; a payment schedule; estimated start and completion dates; any guarantees, who is responsible and how long it's valid; and signatures from both parties.

Don't accept any contract with blank sections and make any changes to the contract

in writing.

## ANTICIPATE DELAYS

Even the most thorough contractors may have delays. Conditions such as material shortages or weather can cause the project to take longer than anticipated. Be realistic and have a plan in place for adjusting your deadlines.



# Warm Weather Maintenance

Warmer weather brings a new list of chores for homeowners looking to keep their homes shipshape. Here are some chores to consider tackling while the mercury is higher.

## INSIDE

- Once winter's chill is gone, switch ceiling fan blades to counterclockwise to cool the space more efficiently. When the weather turns colder again, switch them back to clockwise, creating an updraft to circulate warm air around the room. While you're up there, tighten wobbly blades and dust the whole fan well.

- Speaking of dust, refrigerator coils collect it and, over time, will keep your fridge from running well and efficiently. Take the time now to pull the fridge away from the wall and clean out dust and pet hair.

- Wash windows and check screens for tears and holes. Warmer weather can mean open windows and definitely means more insects. Keep them out by patching screens in a timely manner. Clean the tracks of the windows and on any patio doors to help them open and close easier.

## OUTSIDE

Clean your outside air conditioner unit by spraying it



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down with a garden hose. Remove any plants and weeds nearby and make sure the fans and other parts are in good repair.

Wash the siding outside your home and pressure wash sidewalks, porches and driveways. Soft wash fences and decks and, while you're doing

so, look for signs of bugs. Call a professional to eradicate any pests before they can damage your home.

Trim bushes and shrubs, weed gardens and remove dead or unhealthy plants. Add fresh mulch and trim trees to keep limbs from falling on your home. Look for signs of

decay and, if needed, call a tree care professional to help with cutting large or high limbs.

Check gutters and downspouts, clean them out and make sure water drains away from the house. Check the roof from all sides for missing, cracked or curled shingles.

Clean the dryer vent to remove built-up lint. This helps your dryer work more efficiently and may prevent a house fire.

Look for cracks and holes in driveways and sidewalks. Remove weeds and repair any small cracks or holes to prevent accidental falls.

# What Is Staging?

When you list your house for sale, your real estate agent may recommend staging to show your home in its best light.

This is even more true if you must move out before a home is under contract. Homes generally show better furnished than empty.

## HOW A HOME IS STAGED

Homes are staged by decluttering, cleaning, arranging furniture and adding or subtracting (or both) decor to help buyers visualize themselves in the space. This is often done by a staging company, professionals who may have a warehouse full of furniture and other accessories to pull from. They often use softer, neutral palettes to broaden a home's appeal and to emphasize the best aspects of a home.

Staging companies may require a minimum contract of, say, three months, even if the home sells more quickly. But bear in mind an empty home is already accruing costs in utility bills and other expenses, so depending on your market, staging may be a good deal.

## WHO PAYS FOR STAGING

That depends on your agent and market. Some agents pay for staging out of their own pocket so that homes sell more quickly. Sellers may also opt to pick up the bill, particularly if



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they will be moving before the home is under contract. According to Curbio, the average cost to stage a real estate listing is \$2,000 or more, and almost a quarter of agents say they've paid for staging themselves. Sellers or agents may incur furniture and decor

rental costs, which can range from \$500-\$600 per month.

It could pay off. The National Association of Realtors say 20% of buyers' agents report that staging a home increased the dollar value offered for a property between 1-5% compared to other, similar homes that

were not staged.

## TECHNOLOGY

Nowadays, some staging may be done just for pictures using artificial intelligence (AI). AI tools take photos of the property and add virtual furniture and accessories to make

online pictures more appealing to buyers. This may be a more cost-effective way to stage a property to entice buyers without having to shell out for the real deal. AI tools have advanced and are often now indistinguishable from real staged properties in photos.



# Preparing for Professional Photos

If you're looking to sell your property quickly, professional real estate photography can help.

Redfin says properties with high-quality photos sell 32% faster than properties with standard and low-quality photos and spend less time on the market.

Professional real estate photographers can help potential buyers better visualize themselves in the space, making your home more desirable. Here's how to prepare for professional real estate photography in your home.

## DECLUTTER AND CLEAN UP

It can seem like common sense, but make sure to clean everything, everywhere. This means all surfaces, floors, bathrooms, kitchens and more. Even clean places you think may be hidden, as photographers may move furniture and other items to show your home in the best light.

To help buyers visualize themselves in the space, remove personal photographs and sentimental items. Leave neutral items and decor to appeal to a wide range of potential buyers. Use fresh flowers and plants to brighten the space.

Make beds and arrange towels and curtains in a way that's inviting and appealing. Store



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loose shoes, jackets, toys, pet items where they can't be seen. Arrange for pet and child care and turn off any electronic devices such as televisions and computer monitors. Turn off ceiling fans to ensure crisp, clean photos and put portable fans away.

## USE LIGHTING TO YOUR ADVANTAGE

Turn on all the lights. All of them, including ceiling fan lights, lamps, undercabinet lighting and vanity lighting. Open curtains and blinds to let natural light pour in. If you have a fireplace, consider lighting it or using candles to

add a warm, cozy ambiance. Try to schedule the shoot at a time of day when the lighting is soft and diffuse inside.

## OUTSIDE THE HOME

Mow the lawn, taking care to edge the yard and sidewalks. Clear the driveway and remove any spots or dirt.

Remove any debris, weed gardens and make the exterior of the home as presentable as you can.

Ensure cars and vehicles are moved from the driveway or street and garages or carports are free of clutter so potential buyers can see the space.



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# How Interest Rates Affect Loans

When potential buyers look at purchasing a home, one of the first things they do is to get pre-qualified for a mortgage, arrange for down payments and figure out how much home they can afford.

Interest rates can affect the property value of homes, as higher interest rates generally depress sales and make the real estate market more of a buyer's market.

Interest rates are charged on top of the principal for the use of the money. It's determined by the Federal Reserve's prime rate and each bank determines the range of annual percentage rates they offer. The Fed tends to raise rates when inflation is higher,

and this increases the cost of debt.

## MORTGAGE LOANS

Mortgage loans come in fixed- and adjustable-rate loan packages, or there may be some hybrid combinations.

Fixed-rate mortgages have the same interest rate for the life of the loan, even if a buyer may be planning to stay in the home for less than the life of the loan. In fact, most buyers don't stay in the home for 30 years, opting

instead to move or refinance their mortgages. The National Association of Realtors says the average length of living in a home was 15 years, which is up from 6.5 years in 2013.

Adjustable-rate mortgages (ARMs) are loans where the rate changes on a schedule determined by the mortgage terms. It could be every six months, yearly or even monthly. The interest rate is an index value plus a margin and rounded to an eighth of a percentage point. The index value is variable and the margin is fixed for the life of the mortgage.

Buyers looking to use an ARM should be aware the monthly cost of their payments can increase if interest rates increase. They should make sure

they can cover the full range of their possible payments.

## RATES AND THE HOUSING MARKET

When interest rates are higher or increasing, borrowing becomes more expensive, which can slow down buying and result in a drop in home prices. When interest rates drop, the cost of buying a home drops and demand rises, taking home prices up with it.

Lenders, when determining what interest rates to charge, consider the state of the economy and government monetary policy. They also consider credit history, income and the type and size of the loan.



# Hiring a Home Inspector

A home inspection is a critical part of the home buying process that can protect both the buyer and the seller in a transaction.

The inspector is an independent professional specially trained to find problems, advise of needed repairs and provide preventive maintenance advice. An inspection usually happens just before the closing process.

## FINDING A HOME INSPECTOR

While home inspections aren't federally regulated in the U.S., many states have rules and regulations for home inspectors. They may be a residential architect or structural engineer, and can be credentialed from professional associations such as the American Society of Home Inspectors.

Your real estate agent may have a list of inspectors they usually work with, or you can ask friends for recommendations. Check reviews from the Better Business Bureau and other organizations. If the property has any special features, such as a pool, make sure the inspector is qualified to inspect those features. Other questions to ask are their relevant experience and length of time in business, as well as any insurance and certifications



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the company carries.

## WHAT HAPPENS DURING THE INSPECTION

Depending on the size of the property and its features, a home inspection can last anywhere from two to five hours. As the home buyer, you should be present during the inspection and able to ask questions during the process. Your real

estate agent may be present and can answer questions and resolve issues as they arise.

A home inspection usually involves a visual check of a property's structural and mechanical systems, including the roof, foundation, plumbing, electrical systems and HVAC. An inspector may check exterior walls, gutters and downspouts, appliances, attics

and basements and more.

After the inspection is complete, ask when you'll receive the complete, written home inspection report. Have your own list of items that need correction. Keep the inspection report, even if you don't heed the advice in it, as it may contain information that will help serve as a reference in the future.

## ADDED SERVICES

Some lenders may require other inspections, such as termite inspections, radon testing or pool and spa inspections.

You can opt for a single inspector who offers all those services or separate testing. Ask your real estate professional for more advice on what is needed in your area.



# Buying with a VA Loan

If you're a veteran or eligible surviving spouse, in recognition of your service or your family's, the Veterans Administration (VA) offers home loan programs to help buy, build, repair, retain or adapt a home.

The main benefits of a VA loan are that no down payment is required, low-interest rates, limited closing costs and no need for private mortgage insurance (PMI).

There are no loan limits if the qualifying servicemember or spouse has a full home loan benefit or full entitlement. First-time homebuyers or homebuyers who have paid off a previous VA-backed loan can use their benefit again without the need of a down payment. Homebuyers can use VA benefits on another home, so long as they understand VA rules on subsequent purchases and remaining entitlement, the VA says.

While there is no determination of how much you can borrow from the VA, the agency does require homebuyers to have enough income remaining after paying the mortgage and other financial obligations. Homebuyers must live in the home and be:

- An active-duty servicemember that has served at least 90 continuous days, including



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Active Guard Reserve members activated under Title 10 U.S.C.

- A veteran. If the veteran left active duty between Aug. 2, 1990, and the present, they must have served 24 continuous months or at least 90 days for which they were called or ordered to active duty for at least 90 days if discharged for a hardship, reduction in force or for the convenience of the government, or less than 90 days if

discharged for a service-connected disability.

- An eligible spouse of a veteran if they are eligible for or in receipt of a qualifying Dependency and Indemnity Compensation benefit award and are the unremarried surviving spouse of a veteran who died in service or from a service-related disability; an unremarried surviving spouse of a totally disabled veteran

whose disability may not have been the cause of death; the surviving spouse who remarries on or after Dec. 16, 2003, after reaching 57 years old; or the spouse of a living service member missing in action or a prisoner of war for more than 90 days, for as long as the service member is in that status.

The VA also advises homebuyers to include an escape clause in your offer to

purchase a home. That clause allows the VA-qualified homebuyer to not incur any penalty by forfeiture of earnest money if the contract must be voided because the purchase price exceeds the reasonable value of property established by the VA. The lender is responsible for ensuring the clause is in the contract prior to closing, or the VA may not guarantee the loan.