



Real Estate

YOUR HOME | YOUR LIFE

Summer and Fall Moves

Summer and early fall are among the busiest seasons for moving. If you're joining the relocation frenzy this year, there are certain steps you should take to make sure your move is stress free.

Maybe you're moving to a better neighborhood or a bigger home. Staying in this positive mindset will keep you smiling as you're packing boxes and moving furniture.

Remember that every move is different, so build your own blueprint to make sure you've got all of your bases covered.

DIY OR HIRE A PRO?

This is the first question you should ask yourself. Will you move yourself with the help of friends and family members, or will you enlist the help of a professional moving company? Factors to consider here include your budget, the amount of household items you'll be moving and the time you have to move.

If you choose to move yourself, be sure to reward helpers with lunch or dinner as a gesture of appreciation. Moving is likely not at the top of anyone's list of favorite ways to spend a Saturday, but your gratefulness will make it worthwhile.

Professional movers usually can move all of your belongings within a few hours. This is beneficial if you're under a tight deadline to move or if you're unable to secure a truck. Be sure to opt for any insurance protection the moving company offers. It may only cost a few more dollars and can give you peace of mind that your items will arrive at your new home safely.

STRATEGIC PACKING

Even if you choose to hire a professional moving company, the burden of packing your belongings still falls on you. Start today.

Even if your move isn't for a couple of months, start devoting a few hours per week to boxing up possessions that you don't normally use. Take the process one closet at a time and store the moving boxes out of your way.

Also consider giving away boxes of items to friends, family members or charity organizations. One box will lead to another, and soon you'll have your home packed and ready to move.





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Can You Afford to Buy?

You might think you're ready to buy until you start crunching the numbers.

It's better to find out now that you're not ready rather than when you're already tied to a 15- or 30-year investment.

Earning the title of homeowner can be an easy task, especially considering today's low mortgage rates and banks' willingness to open up their lending again. But retaining the title of home-

owner can be difficult if you're not fully prepared for the extra finances.

Potential buyers can sometimes forget to consider costs such as homeowners insurance, inspection fees or even general month-to-month repair and maintenance costs.

Other costs that can impact your bottom line include those associated with moving, landscaping and upgrades you may want to make as soon as you are handed the keys.

Budgeting for these items is an exercise in simple addition and subtraction. Be sure to take a close look at your income and expenses. Once you feel confident in what's left over, you should feel secure in taking the leap.

MORTGAGE OPTIONS

One way to give yourself some wig-

gle room in terms of your monthly mortgage payments is by reviewing your options as a borrower.

Down payments typically range from 3 to 20 percent of the property value, depending on whether you decide to take out a loan that requires private mortgage insurance.

Private mortgage insurance is a policy that allows mortgage lenders to recover part of their financial losses if a borrower fails to full re-pay a loan. It can be beneficial to a buyer who may not have a large down payment available because it makes it possible to buy a home with as little as 3 percent down.

Realize that the trade-off here is a higher mortgage payment, so choose your path wisely depending on how much you have to put down and how much you're comfortable spending on

a monthly basis.

GET ESTIMATES

If you haven't been through a home sale or purchase before, you may not realize how many moving parts there are to the process.

Sure, you're paying an agent to handle certain parts of the transaction and your title company for other aspects, but it comes down to you being an educated party to make sure everything goes according to plan.

Work closely and regularly with your banker, Realtor and title company to obtain updated estimates for your closing costs. The last thing you want is to be surprised on closing day with a different amount required than what you were expecting to pay.

What Can Tile Do for You?

Tile, wood, laminate or carpet? The flooring choice can be a tough one. Each flooring type has its pros and cons, including style, durability and longevity.

One option rings true for many homeowners looking for versatility and longevity, among other distinguishing characteristics.

Ceramic and porcelain tile in particular are known for their long life cycles. Most options can actually last a lifetime, if cared for properly. This means proper installation in line with manufacturer specifications and careful cleaning with non-abrasive products.

REGIONAL AVAILABILITY

Anyone who has chosen flooring knows that process can take an extended period of time. You may find something you like only to find that it will take weeks or even months to arrive from the manufacturer.

Tile manufacturers and distributors are located conveniently across the country, helping you receive your products quickly whether you live in a big city or in rural America.

This accessibility allows you convenience and also has a positive impact on the environment. Less travel time between the source to your floor means fewer air emissions required for delivery. And a smaller carbon footprint is what many people strive for in their home improvement choices.



LOW MAINTENANCE

Tile is also known for its easy maintenance. Routine vacuuming and dusting is all it will take to keep your floor tidy, especially if you treat it with a chemical-free glaze.

This helps it resist stains from spills or pet accidents, protecting your investment from day-to-day hazards.

HEALTH BENEFITS

Do you have allergies? You're not alone. According to the American Academy of

Allergy Asthma and Immunology, more than half of the population of the United States suffers from some form of allergies. Many of the most common allergens are found in the home.

Tile is one of the best choices for allergy symptom prevention because it makes

it easy to see dust and prevent it from accumulating. When using any tile, make sure the grout that is used to affix the tiles together remains in good condition to prevent moisture from seeping into the sub-floor, where mold, a common household allergen, can flourish.

Diamonds in the Rough

The benefits of a brand new home are easy to spot. But recognizing the potential of a home in need of some TLC will take a creative eye and a willingness to roll up your sleeves on some home improvement projects.

Once you've been pre-approved and know how much you can afford on a monthly mortgage payment, it's time to go shopping.

Depending on how handy you are, it will likely be beneficial to find a home with good "bones." This means that there are no structural deficiencies and that all major electrical and water systems are functioning correctly.

You may be able to spot these issues, or it may take the expert eye of a professional home inspector.

Either way, hiring an inspector is usually a requirement of the lending organization for any home transaction.

TAKING ON REPAIRS

You may find a home that has great potential but is in need of some repairs. Consult with your inspector to find out how much these will cost and how soon you should consider repairing them upon moving in.

HouseMaster, a national home inspection company, recently released study results that found the typical costs of major repairs, as follows.

- **Roofing:** \$1,500 to \$5,000
- **Electrical systems:** \$20 to \$1,500
- **Plumbing systems:** \$300 to \$5,000
- **Central cooling:** \$800 to \$2,500
- **Central heating:** \$1,500 to \$3,000
- **Insulation:** \$800 to \$1,500
- **Structural systems:** \$3,000 to \$1,500
- **Water seepage:** \$600 to \$5,000

MAKING AN OFFER

You should take any of the above fac-



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tors into consideration when making your offer. Build a budget that would cover the home improvement costs you're thinking about undertaking. For projects that need to be handled by a professional, call around to get a few quotes.

Then either subtract these numbers

from your asking price or ask for a credit from the seller to cover your costs.

SCHEDULE ISSUES

Taking on a renovation project can be exciting, but also challenging if you're pressed for time. Consider the

impact it could have on your family's schedules.

Couples with young children at home may not have the desire to live in a construction zone for months at a time while critical areas of the home — especially bedrooms, bathrooms and kitchens — are being redone.

Title Insurance

Closing costs are comprised of a number of smaller fees, but what do they all mean? If you're new to buying or selling a home, you may be asking yourself this question while scratching your head.

One of these expenses is title insurance. In most home purchases, buyers don't have an option on whether or not to take this policy, as it is a near absolute associated with transferring the home's title to your name.

WHAT IS TITLE INSURANCE?

Until you officially buy a home, the sellers have full and legal title — or so you hope. This is where title insurance comes into play.

The title company for your transaction will verify the title's rightful ownership by checking out the records at the appropriate location, usually a local courthouse.

On rare occasions, these records may not be 100 percent accurate. Changes to land ownership or title transfers may have been done within the family or erroneously reported in past transactions.

A simple mistake by the closing company could result in an issue with the title that, if left uncorrected, could fail to protect you as the true owner of your new home.

TYPES

One form of title insurance is designed to protect your



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bank or mortgage lender. This coverage is required and typically provides lender protection up to the original mortgage rate.

An owners coverage protects you, the buyer. If there is

a claim or discrepancy with the title, the insurer will defend your rights.

This means the insurance company would be liable for any required payments or settlements.

OTHER FEATURES

Some policies come equipped with a rider that allows your title coverage value to rise as the value of your home goes up.

Loans in Iowa are exempt from title insurance, according to the National Association of Realtors, because a guarantee program means title errors are covered by the state.

Getting Financial Help

Asking a friend or family member for money can be an uncomfortable situation, but it also could mean the difference between buying a home or being forced to rent for a longer period of time.

The proposition can be even more complicated given the large sum of money likely involved in these types of loans.

From an unofficial loan to a more legally binding private home loan, the process supporting any lending activity should be based on mutual trust.

If you take a business-like approach to the loan — even though it is coming from a friend or family member — you likely will be more focused on treating your payback amount as just one of your regular bills that you pay on time every month.

PRIVATE MORTGAGES

Private home loans are very similar to ones you would receive from a bank or credit union.

According to the National Association of Realtors, private home loans involve:

- Both lender and borrower signing a promissory note (also known as a mortgage note) stating the terms of the agreement;
- The promissory note establishing the amount loaned and the interest rate, as well as the repayment dates and frequency;
- Drawing up a mortgage (also called a deed of trust), which gives the lender the right to foreclose on the property if you fail to stick to the repayment plan; and
- The lender holding a lien on the mortgaged property.



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UNOFFICIAL LOANS

Maybe you're in need of a smaller loan to help cover the mortgage down payment. It is still recommended that you draft up a contract to spell out the terms of your loan.

Both the lender and borrower can build in protections involving the

agreed-upon interest rate or payback schedule. If unforeseen incidents occur that keep you from paying your loan back on its routine schedule, you should be up front and honest with the "lender."

You might lose your job or have medical bills that pile up. Hopefully you will be able to agree upon a loan

modification policy that may include lowering payments for short amounts of time or even temporarily freezing payments until you get back on your feet.

Whatever you decide, it is important to have such specifications in place before entering into any signed agreement.

Projects to Avoid

Functionality has overtaken luxury as the hottest selling point in today's real estate market. Budgets are tighter, and home buyers are deciding on smaller mortgage payments over more space or premium locations.

This means homeowners planning on remodels should more than ever be considering the value those improvements will be able to recoup.

If you're planning to remodel, concentrate on smaller projects that make sense with buyer budgets. Small upgrades that add functional use and energy efficiency are becoming appealing, as such changes can have an overall impact on utility bills, such as electric and water.

You may choose personal comfort over resale value when considering certain projects, which include in-ground swimming pools and fancy sunrooms. Your quality of life is most important, so if you're looking to get a few good years out of one of these remodels, go for it. Just don't expect to recoup the majority of your construction costs in the end.

IN-GROUND SWIMMING POOLS

With costs starting in the tens of thousands of dollars, in-ground swimming pools are not a small investment. The bad news is they also aren't likely to be worth the equity you put in when it comes time to sell your home.

However, this depends on where you live. Homes in warm climates can expect up to a 50 percent return on investment, according to the annual Cost vs. Value Report published by the real estate media firm Hanley Wood.

Other homeowners across the country, however, can expect a decrease in home value due to the significant operating and maintenance



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costs pools require.

SUNROOMS

The sunroom is an expensive project that only recoups \$486 for every \$1,000 spent on construction, according to Hanley Wood.

Buyers also report that due to glass' inability to provide adequate insula-

tion, energy costs are a major issue in the purchase decision. Again, where you live in the country and how much enjoyment you'll personally receive from a sunroom may end up being your deciding factors.

GARAGE ADDITIONS

The Cost vs. Value Report finds that

homeowners who build a garage see a 62 percent return on their investment. An expensive price tag is a major factor.

A carport or shed may provide you the same storage functionality without the major expense, especially if you only need it for general protection from the elements or a place to keep your lawn equipment.