

July 2015

# HOMEFIT

Exercise the Best Insurance of Home Ownership

**5 Things That  
Could Devalue  
Your Home**

**The Roadmap  
for Buying  
Your First  
Home**

**7 Ways  
to Use  
Wallpaper**

**7 Ways to Spot  
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**10 BEST-KEPT SECRETS  
FOR SELLING YOUR HOME**



# Letter from the Editors



Fixing up a home you plan to sell can be harder than navigating an impromptu road trip. In this issue, we provide a map to help you find the path of least resistance in building a more marketable house.

Prospective home buyers are a tough bunch to impress. Sometimes, the features you thought were perfect are the ones they want to tear up and rebuild from the ground up. We'll give you the info you need to know what projects are worth the work and which ones might end up knocking your sale figure down a few notches.

Some projects are too big to do yourself, so we hope you have a good contractor in mind. But for those of you who don't have one you trust, we put together a few warning signs to look out for. A bad contractor can be a costly investment. Read closely and watch carefully!

With all the home improvements you might have in mind, don't forget that little changes can make as big an impression as the contractor-worthy projects. Be sure to review our tips on making the most out of wallpaper and what secrets to keep in mind when you're selling your home.



For those of you thinking of buying a home, we've included some information for you too. We've put together a step-by-step guide to your best buying experience.

We hope you enjoy this issue as much as we did. If there's something you'd like us to touch on in a future issue, please let us know!

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## 5 Things That Could Devalue Your Home

When it comes to listing your home on the market, a common concern is wanting to increase its value and allow it to stay competitive in the local area. Many people work to remodel their property or make minor upgrades to increase the selling potential of their home.

Although you should take certain steps to increase what your home is truly worth, there are a few mistakes to avoid to prevent reducing its overall value. There are many different factors that determine the property value. If you know which ones are working against your home then you can prevent losing equity.

### 1. Using Bold Paint Colors

To appeal to a larger group of buyers, use neutral paint on the walls and with the trim. Bold colors stand out like a sore thumb in neighborhoods and can allow them to look outdated or too customized.

Similarly, using colors that are quirky or unpopular in the interior space can detract from the property value and is seen as an extra expense for buyer who will want to repaint the space. Stick with contemporary shades and use an accent wall in one or two rooms of the home for added detail that looks modern.

A general rule of thumb is to avoid using colors that are too specific to your personal taste.

### 2. Remodeled Kitchens

Known as the most important room that buyers focus on when shopping for a property, kitchens are often remodeled and upgraded by homeowners in hopes of increasing their property value. Although having a kitchen that includes fancy appliances and a decorative backsplash can look appealing, it can also be overly done and appear awkward in the average house.

Upgrade your kitchen to a certain degree without going overboard and causing the room to look awkward. It should still match the style and design of the rest of the home to ensure that it flows well and feels comfortable. Avoid overly customizing the space, but instead keeping it neutral to ensure that it appeals to more buyers.

### 3. A Neglected Yard

The yard and landscaping of your home is what ultimately makes the first impression with buyers and will determine their interest in the property. If you can't win them over with the exterior of the home, then you likely won't sell them on the interior space if you've already left a bad taste in their mouth.

The lawn should be manicured and tidy without children's toys or yard tools left out. Add shrubs, flowers, and potted plants around the house to fill in bare spots and enhance how welcoming the home looks. If the yard is well-cared for, it will assure buyers that you've also worked hard to maintain the property and have kept up with repairs. If the curb appeal is lacking, it will cause buyers to question how much it'll cost them to redo the landscaping and will work against your chances of getting a higher offer.

### 4. Bad DIY Projects

With Pinterest and DIY Home Renovation shows a hit in today's society, it's common to see

homes that have incomplete or poor DIY projects that were performed by the homeowners. Unfortunately, many of projects look unprofessional and hoaky for a feature that can quickly reduce the selling price of the home. Buyers will want to avoid making an offer due to the time and money that they'll need to invest in redoing the projects themselves or by hiring a professional. Hire a contractor who can redo the projects before listing your home to ensure that everything looks complete and attractive to potential buyers.

### 5. Wasted Square Footage

Your home may be too big for your family, but it doesn't mean that you need to neglect the square footage that isn't being used. Show buyers the potential

of every room in the home by creating a purpose for the space. If you have an attic that is filled with junk, transform it into a home office or entertainment room. For basements, consider refinishing the space and using it as a guest room or home gym. Refinishing specific areas will also increase the property value with the added square footage that can be used.

Before listing your home on the market, there are a number of features and rooms to inspect to ensure that you avoid reducing your property value. By preventing common mistakes and maintaining a neutral style, it will work to increase the overall appeal of your property and help you sell at a higher price for a home that you can truly be proud to show to future buyers.



# 7 Ways to Spot a Bad Contractor

Few things are as satisfying as putting your own personalized touch to your home, but few things can be more complicated. A great contractor that you can rely on to do quality work at reasonable prices is your first step. Knowing what you want in a contractor is just as important as knowing what you don't want.

The first step you should take before beginning any home updates is to research local home improvement businesses. Always interview more than one business owner before you make

your decision and ask around for recommendations. Your gut instinct will often be your final decision-maker, but be sure to look out for the following warning flags.

## 1. Solo or Subcontractors

While a single person business may seem to be more reliable, the risks are high. Without any help on the job, the time before completion may also be much longer. A single contractor may also indicate an inability to keep employees.

Subcontractors can help a business owner earn more jobs, but also decreases quality control. Be sure that there are not too many people involved in your job.

## 2. No Formal Paperwork

A serious business owner will understand the importance of a professional image. While ties are not recommended attire on a worksite, formal letterhead, a website and written quotes show attention to detail and that he is focused on quality.

Proper licenses protect both the contractor and the homeowner. A reputable businessman will follow all appropriate steps to ensure that he has all of the necessary licenses and insurance.

## 3. Quotes Are Not Detailed

An honest business will provide more than just the total cost. Hourly charges for labor, individual material's costs and optional or potential costs should be included.

Detailed quotes help prevent surprise costs and show that the contractor will be open and more likely honest about the work. The business should be willing to answer any questions and provide all details if requested.



#### 4. Vague Timing

Knowledgeable and experienced contractors can provide an estimate quickly, perhaps needing only to speak with suppliers first. Not calling or showing for a scheduled appointment indicates that the contractor does not regard earning or completing your business as a priority.

#### 5. No References

References for quality work are easy to obtain. Satisfied customers often offer to be references, so a reputable business should have no limit to the number of references they can provide. References should include not just written accolades, but contact information for you to reach out if desired.

#### 6. Large Down Payment Required

Most contractors require a down payment of some sort. The money is paid upfront so the business can purchase the supplies and as a good faith gesture that you will be able to pay them for their work. If the contractor requires one-half or more of the total cost upfront or requests payment in cash, red flags should be raised. Checks and credit cards allow for a paper trail for you in the event of an issue.

#### 7. Off the Books Proposal

Experienced professionals know how much materials cost and how much to order for their jobs. They want their work to show their expertise and quality. They are dedicated to doing everything legally and above board. Lower cost components can indicate that you will have problems in the future or the materials were obtained in a round-about way which is also undesirable.

Although items left over from other jobs may be used on your job, contractors may not always tell you. If the business works closely with suppliers and is honest with their customers, unused materials will not be double-charged to separate clients, or suppliers may take leftovers back. Older wood may warp and older materials may result in being out of code.

Finding a contractor is not often easy. Between conflicting feedback and a wide spectrum of charges, often your initial gut reaction is the best indicator as to whom you should hire. You deserve quality work for whatever you plan to do on your home. Roofing, additions, painting and renovations need to be completed well and within budget to avoid issues for you in the future. Do your homework and trust your gut when you are searching for that contractor to give your home your personal touch.

### Additional Warning Signs

<http://www.angieslist.com/articles/10-warning-signs-when-hiring-contractor.htm>

<http://www.redbeacon.com/hg/5-warning-signs-bad-contractor/>

<http://www.avvo.com/legal-guides/ugc/ten-signs-of-a-bad-contractor>

<http://www.houselogic.com/home-advice/contracting/top-5-contractor-scams-and-how-avoid-them/6/>



# The Roadmap for Buying Your First Home

For most people, buying a home for the first time is a significant event that often signifies a new season and step in life. It can be exciting to have your dream home in mind when shopping around and finding a location where you can enjoy living for many years to come. When it comes to the home buying process, there are a few steps to take to ensure that you make a smart purchase and have a smooth process with the transaction.

## Compose a Team of Experts

To ensure that every step of the home buying process

is completed properly, it's important to receive help from qualified professionals who are trained in their field. Although you can save more money by doing the work yourself, it can often lead to money lost or issues that can cause you to lose out on purchasing a property.

You'll want to begin by using a real estate agent who has knowledge about the most current listings on the market in your local area and can help you with various strategies on making an offer that will be accepted.

Find an agent who matches your personality due to the amount

of time that you'll spend with them and someone who you can trust. If they say they're a full-time agent, find out what that means. When looking for the right agent, don't be afraid to ask a lot of questions, which includes their experience and how familiar they are with the area where you want to buy. You'll want to know the amount of commitment that they're willing to give you. They should be flexible, easy to contact, and willing to work around your schedule.

You'll also need help from different inspectors who can evaluate a property that you're interested in to ensure that the



structure, electrical wiring, and roof are all in good condition before you make an offer. If any issues are found, it will influence the offer that you make and any repairs that you request the current homeowners to perform before you purchase the property.

### Become Pre-approved Before Shopping Around

Become pre-approved for a home loan before you make an offer on a house. If homeowners find out that you haven't been approved yet, it can cause them to easily pass on your offer and not take you seriously.

Once beginning the process of getting pre-approved, your debt, income, and credit history will all be evaluated by a bank or financial institution.

### Determine What You Can Afford

When it comes to purchasing your first home, you'll first want to calculate what you can afford based on your household's income. Most experts recommend purchasing a property that is two-and-a-half times your salary while also putting 20 percent down.

Although there are various loans available that require less of a down payment, you'll open more doors by having a 20 percent down payment. Those who have little to no debt can possibly afford up to four times their annual income with certain loans.

Besides the cost of your mortgage, there are other expenses to take into account that you'll need to be able to afford throughout the year. Consider the cost of utilities, homeowner's insurance, HOA membership fees, and landscaping.

When purchasing a home for the first time, avoid draining your bank account when making your down payment, paying for closing costs, and commissions. You'll still need extra cash available for moving, repairs, and furnishing the property once settling in.

### Educate Yourself on the Market

Become familiar with the current listing prices in your area to determine the best prices that are available when shopping around. A real estate agent will help you to evaluate certain deals and can help you research which neighborhoods are run by homeowner's associations, learn about recent crime rates, and even nearby schools. Experts also recommend staying in close proximity to your job and look at communities where the property value has steadily increased over time.

You'll want to give yourself plenty of time to look at different properties due to the length of time that it takes to make an offer, perform inspections, and close on the deal. By giving yourself time to purchase a house, it will allow you to remain patient during the process and

avoid feeling rushed or pressured with what you end up buying.

Shopping for six months can be realistic because it gives time to allow certain deals or offers to fall through until you find the right fit. Stay focused and keep the end result in mind to ensure that you avoid frustration or an impulse purchase.





# 7 Ways to Use Wallpaper

Wallpaper.

The word conjures up images of grandma's kitchen, four walls replete with tiny maroon and teal flowers in a mind-numbing endless pattern. Or perhaps you think of Aunt Sally's green bathroom, covered in repetitive birdhouses and tiny flying birds.

Whatever image pops into your mind's eye when you hear the word "wallpaper," it shouldn't automatically make you think "antiquated." This old decorating horror is making a comeback as one of the most hip modern interior design trends.

If you're intimidated by the idea, start small. The days of plastering four walls with a floral pattern are gone. Instead, using wallpaper can be the perfect decorative splash to add a little life to your home.

Here are seven ways to use wallpaper that won't result in your granny's kitchen.

## 1. Use Solid Colors

Seems simple, right? Yet most people don't even know that wallpaper comes in solid colors. Picking out strong accent colors can be the key to taking a boring room from bland to beautiful.

The secret is to pick out one area to accent with a bright color.

For example, covering just the wall above the mantle with a solid color wallpaper can add a dynamic visual center to a room, which catches a visitor's eye and creates simple design solidarity.

## 2. Accent Wall

A fun accent wall doesn't have to require hours of painstaking measurements and taping with that annoying blue painter's tape. To create one wall with an attractive pattern, opt for wallpaper instead. Not only will you have a wider range of options to pick your design from, but you'll be able to create your accent wall in just one afternoon instead of wasting endless hours.

For a unique twist, try putting wallpaper on just your ceiling. A classy room can turn into a chic urban legend with the right subtle design catching the light above the chandelier.

## 3. Line It Up

Despite its name, wallpaper doesn't have to go just on the walls! You can use it almost anywhere, actually. Consider putting wallpaper onto the backs of seats of straight chairs for a quick dining room makeover, or line the inside of dresser drawers or kitchen shelves with a cute pattern. In many cases, adding wallpaper will refresh a tired piece of furniture.

Another great option to consider is adding wallpaper to the inside backing of a bookshelf, so the pattern just peeks over the top of your hardcovers.

#### 4. Paired with Paneling

Using wallpaper in combination with wooden or white paneling sets off the pattern on the walls. Try different experiments on a piece of paper before putting them up on the wall. Some of the best options include wooden paneling halfway up a wall or a pattern of vertical and horizontal beams that form a plaid pattern. Using wallpaper in between these panels will add depth to the room.

#### 5. Titillating Texture

The best wallpaper will add texture and intimacy to a room. Look for wallpaper that makes you want to touch it, with a heavy or rough feel. Texture is the unique advantage of wallpaper that mere paint can't emulate. The texture will draw guests into your room, providing another level of subtlety to engage their attention once the big decorative feature have already been noticed.

#### 6. Opportunity Knocks

It's not called doorpaper, but that doesn't mean wallpaper won't make a stylish addition to the doors in your home. Consider putting up an engaging pattern that matches the walls of your bedroom onto the outside of your closet door. This burst of

life can totally transform the room with minimal effort. The best part? Easy removal. You might even get into the habit of changing it up annually.

#### 7. Mix and Match

Your grandma is rolling over in her grave at this suggestion. Remember though, you're thinking of wallpaper as a modern design tool, not a blanket for the walls. Using two complementary patterns, usually in a similar color, can

be a simple yet powerful way to add personality to a space. If you want to unify the patterns, consider adding a common frame around each, or using two different patterns in identical places in the room.

It's time to start thinking of wallpaper as a friend, not a foe. If you can move past your fear of turning your entire house into your crazy Aunt Sally's birdhouse bathroom, you just might find wallpaper to be your new favorite design secret.





# 10 Best-Kept Secrets for Selling Your Home

When trying to sell a house you want to get top dollar. There are many ways to upgrade your home's potential appeal and make it irresistible to an interested buyer. Let's look at some secrets everyone looking to sell their home should know.

## 1. First Impressions Stick

You never get a second chance. The first thing a potential buyer sees is the outside of the house. No matter what improvements you make inside, if the outside looks run down the buyer will keep that in the back of their mind. Spruce up the exterior of the house by repainting it and adding curb appeal. Plant some small shrubs and flowers that will liven up the property. If you have a patio place furniture on it.

## 2. Brighten the Space

Let in as much natural light as you can. Extra light will make your home feel more bright and cheery. Wash the windows, open the curtains, and remove any blinds that block it. Where

natural light is not present have lamps and light fixtures that will do the room justice. Also, remove any lamp shades that make the room seem dim.

## 3. Make the Kitchen Priority

The kitchen is a big deal to any buyer. New appliances and an updated floor plan will make this area stand out. New counters will make your kitchen look amazing. Fresh paint and cabinets are a good start, but have at least one new appliance too. Clean the grout to the point that it sparkles. This will give your kitchen a look that says it has been freshly remodeled.

## 4. Remove Clutter

The entry way is a great place for coats and shoes, but not when you are trying to sell the house. Make it an inviting area that welcomes buyers.

If it's uncluttered buyers will notice and feel there is plenty of storage space in the house. Storage is something they will be looking for, so keep those closets and cabinets clean.

## 5. Send Animals on Vacation

A buyer does not necessarily want to see your pets, they may not like animals or they may even be allergic to your dogs or cats. Pet toys will add clutter to a room. Food dishes or a litter box can add an unwanted odor to the air.

## 6. Depersonalize the House

Remove all photos of your family and personal keepsakes. Only display enough furniture and accessories to make the room feel cozy. Remember to optimize any space so it doesn't appear small and cluttered. Neutral colors work wonders when trying to make a room look more spacious.

## 7. Always Be Ready

Make sure you are ready to show off your home at any point and time. This means the living space does not look lived in. The entire house should be spotless. Dishes should be washed and put away, and all areas of the house should be dusted daily. It may seem like a hassle, but in the end when you sell your house you will be glad you put in the extra effort.

## 8. Reheat the Bedroom

Make the master bedroom another focal point when showing your home. Show

the buyers the beauty of the bedroom by emphasizing with bedding that features rich colors such as brown and pink. Remove some of the clutter from the closets in the bedroom. Having few clothes will make it seem bigger than it really is.

## 9. Repurpose Unused Space

Any area that is empty or is just filled with your junk should be redone. Usable space is a key aspect, so turn that junk room into a gym or an office that the potential buyer will be able to envision as their own living space. Do not make a room seem cramped, make sure there is enough furniture to give the room a sense of home.

## 10. Don't Over Improve

Making big upgrades will not be worth the effort, and in most cases, you will not get the money back you invest into the project. Stick to simple projects that improve the overall quality of the house. Give rooms a fresh paint job, hang new curtains, and make sure all the doors close properly. This includes closets and kitchen cabinets to. Fix leaky faucets as well.

These ten secrets are the keys to be aware of when selling your home. Use these ideas to brighten up the house and appeal to any potential buyers.



## Why Get a CMA Before Remodeling

Are you considering a home remodel in the near future? One smart move is to get a CMA (Comparative Market Analysis) before beginning any major projects.

There are many home improvement projects that will increase the value of your home. Adding a bedroom and bath in attic space, finishing your basement, or upgrading the kitchen are all improvements that make sense. Some improvements, such as adding a luxurious swimming pool, may actually hinder resale in the future, or may not be an added

value for your neighborhood. **What is the Purpose of a CMA?**

The real estate agent who is doing a marketing analysis can help you understand what your home's real value is in today's market. What you consider the value and what the market says the value is may not match up. The CMA will give you an overview of the market and help you understand how to best preserve and increase your home's value.

It's typically in a report format that includes specific data that

helps you with making decisions. The rest of the article highlights what you can expect.

### Current Home Listings

These are the houses for sale in your area. The prices listed are the offering prices, showing what the seller considers to be the value of their home. If you were to put your home on the market today, these homes would be your competition. Realistically, most homes will sell for less than the listed price, and, depending on the economic climate, may sell for a great deal less.

## Homes Pending Sale

These are homes under contract, but have not closed, so they don't realistically reflect the home market. The selling price is generally not known, just the asking price, until the sale closes. The pending sales do help identify trends in your market, such as type of home that is selling, including their amenities, and the days on the market before coming under contract. If comparable homes are listed for less than you consider your home's value to be, this will help you find a realistic value for your home within that market.

## Completed Sales

This category will show you a six-month history of the homes that have closed in your area. This data is an actual indicator of your home's value, and will be the information an appraiser will use if you were to put your home on the market today. Carefully investigate the homes that sold, including number of bedrooms, number of bathrooms, upgrades in the kitchen and baths, square footage, and other details.

## Listings Withdrawn from the Market

These are a listing of homes that did not sell, or were withdrawn for any number of reasons. A seller may have decided they could not bear to sell their home, or the home was greatly over-priced. If a home is on the market for too many days (DOM), the agent may end the listing and relist at a realistic price.

These may also be homes that were found to need repairs that the homeowner was unwilling to make, and a contract fell through. Perhaps the owner was unhappy with their real estate agent and fired them, which is not uncommon.

## Listings that Expired

These homes are often extremely over-priced, not well marketed, or showed no interest because of the home's condition. If a home was withdrawn and relisted, it may show up on the current listing.

What does this information have to do with your decision to do a home improvement project? This data is a road map through your current real estate market, to help you navigate the pitfalls of putting money into a home or

a project that will not, ultimately, increase the value of your home.

The comparable homes may show you that top quality granite countertops had no more added value than a good quality solid surface or composite countertop in your market, helping you make a quality decision as to materials that will ultimately save you money. The information may show that extensive landscaping, at a considerable price, will not be reflected in resale price. You may find that homes with swimming pools are harder to sell and spend more days on the market than homes with no pool.

Making wise choices before beginning home improvements will save you money, while increasing the resale value of the home you and your family love so much.



# Opening Doors...



...Making the Dream of Home Ownership a Reality

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