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HOMEFIT

Exercise the Best and Outsmart Home Ownership

CMA's and Appraisals: What's the Difference?

Why Your Impulse to Reject a First Offer Might Be Incorrect

How R-Value Affects Improvements

What's Over Your Head? Selecting the Right Materials & Color

Don't Let Bargain Hunting for a New Home Backfire

7 WAYS TO SAVE MONEY ON YOUR MOVE AND MOVE-IN

Letter from the Editors



The ancient wise man put it perfectly: money answers all things. In this issue, you'll discover important ways to make the moving process easier on your wallet, whether you've just decided to put your house on the market or you're about to move into your new home tomorrow.

What do you do when your home receives an offer only days after you first listed it? We'll show you why you should take every serious offer seriously, even if the offer comes quickly. You'll learn why it's so important to seize the day, even when it's easy to assume that other offers will come just as quickly.

Just as you sometimes need that friendly push to accept an offer, sometimes it helps to be given some friendly advice to not be too picky when shopping for a good deal. You'll discover why bargain houses aren't always the best buys for your budget in the long run. You may be surprised to find that certain frugal purchasing habits, when applied to house hunting, can actually prove detrimental.

Is the big move speedily approaching? Make sure to read our seven tips to help you save during this stressful time. Remember, failing to prepare is preparing to fail, so get busy planning how your move will unfold so that moving into your dream house is truly a dream - not a nightmare.

Finally, enjoy our new "Ask Dan Landers" feature. In this issue, a seller is unclear about the difference between a Comparative Market Analysis and an appraisal; which is the most helpful for determining his home's asking price? Dan Landers gives it straight. We hope you like this feature; let us know if you have any real estate questions for Dan Landers in the future.



CONTENTS

4. Why Your Impulse to Reject a First Offer Might Be Incorrect

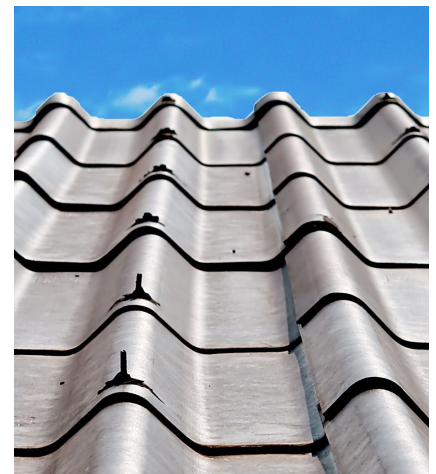
6. Don't Let Bargain Hunting for a New Home Backfire

8. What's Over Your Head? Selecting the Right Materials & Color

10. How R-Value Affects Improvements

12. 7 Ways To Save Money On Your Move and Move-In

14. CMA's and Appraisals: What's the Difference?



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Why Your Impulse to Reject a First Offer Might Be Incorrect

There's a lot at stake once you've decided to put your house on the market. Especially if you've invested a large part of your family's life in the home, it's likely that it's difficult for you to imagine leaving it, much less putting a price on it.

Even after studying similar home values in the area, it's hard to be objective about something so personal. It's like rating your own child's ability. You know how you'd like it to rate, but

you're never sure if you're just prejudiced.

That's why it's so important to have a good agent who can help you decide a fair asking price. After that, it's a waiting game. For some, the wait can take over a year as they wait for someone, ANYONE, to fall in love with their home.

Other times, things move much, much quicker. You list your home at \$178,000. A week later, you've got an offer of \$174,000.

Believe it or not, this is where the angst starts for many people. "But it's the first offer," you wail to your agent. "Surely there will be better offers down the road if this one came so easily!"

It's true. There is a chance that you will receive better offers down the road. It's possible, but not likely. Why? Is there any reason to seriously consider a good first offer, even if it's not perfect? Definitely. Here's why.

A home that's new to the market sells better than one that's been waiting for months

Many, many sellers reject a first offer, confident that a better one is just around the corner. A year later, with no signs of a better offer, their regrets at not accepting the first offer warn each of us to remember, "A bird in the hand is worth two in the bush."

Which would you be more likely to place an offer on: a house that had just been primed for the market, or one that you could see had been sitting vacant for a few seasons?

Accepting an offer that is lower than your asking price allows you some leverage at the negotiating table

Even if the buyers' offer is lower than your asking price, you probably assumed that any offer you received would be less than your asking price. Before flat out rejecting any offer, consider countering the offer or simply accepting it as is.

Remember, if you accept the offer as is, the buyer is much more likely to yield to your demands at the negotiating table. The listing price is not the bottom line: be wise, and you can use even a low offer to your advantage.

Always remember the hidden costs of hanging onto property

Keep in mind the extra, hidden costs of owning a home that you need to sell. If you don't live there, you must keep the lawn neat, maintain the property, and in some cases, even pay utilities. Is the relief of a fast, easy sale not worth it to consider accepting a less-than-perfect offer?

Agents stay right on top of the market

Even though you might think a buyer's agent pounced on your home so quickly because you under-priced it, that might not be the case at all. With modern mobile accessibility of new listings available to both agents and buyers, any new property that meets a buyer's needs is likely to be noticed immediately, regardless of whether or not it's under-priced.

Some sellers panic and assume an easy offer means they listed too low because they simply can't fathom the efficiency of the system.

Here's the long and short of it: many buyers place quick offers on homes fresh on the market because they simply like the homes and want to be the first to bid. It's a mistake, however, to automatically assume there will be other bidders. If you are blessed with a good first offer, be thankful enough to consider it seriously before you reject it outright. A wise agent is a valuable aid in a case like this, so be very cautious to ignore their experienced, expert advice.

After all, as emotional as selling your home may be, when it's time, it's time.

Seize the day.





Don't Let Bargain Hunting for a New Home Backfire

You've been raised to hunt for the best bargain. If you're plunking down a huge sum of money, why would you buy the most expensive option? That's crazy talk! But when it comes to buying a new house, is it possible to get too caught up in the bargain hunt and miss out on a house that's perfect for you?

If you're knee deep in the hunt for a house and you find yourself thinking "We can find something cheaper" all too often, then it's time to reevaluate your priorities. You could be losing out on something that's perfect for you

for the sake of saying you found a bargain!

It Might Not Suit Your Needs

Yeah, it might be \$20,000 cheaper than the four bedroom home, but can you feasibly live comfortably in a three bedroom house? When you're choosing between a house that's more expensive and a house that seems like it has a good bargain price tag, you need to ask yourself a few questions when you're weighing the costs.

Does the cheaper house offer

you everything you need in a house?

If it doesn't, is that fixable? If it isn't fixable, do you want to be saddled with it for 30 years?

Remember that homes that are easy to grow out of are going to be hard to sell to other people. Invest in something that other people are going to want to invest in, too.

A Temporary Bad Fit Will Cost You Money Down the Road

Maybe you can live with your two small children sharing a room,

but in five years, will your 10 year old want to share a bedroom with their six year old sibling? When you sell a house that's too small, too old, or in a bad location, you're going to end up paying more in transaction fees to sell it than you would have paid with a higher mortgage to begin with. Always consider how long this particular house will suit your needs. If it won't work for at least 10 years, it's a good move financially to walk away.

Is It a True Bargain?

Like a car, if it has a really low price tag, there's a reason. Whether it's being sold privately or it's a foreclosure, there's probably a good reason why the house is being sold so cheaply.

The foreclosure probably hasn't had very good maintenance or a vengeful owner went through and took all of the doors or major appliances to spite the lender.

The cheap rancher that's priced \$30,000 below local comparisons might be hiding a major mold problem, a 30 year old roof, or dangerous knob and tube wiring. "If it's too good to be true, it probably is" holds true in real estate, too.

How Much Will You Pay in Renovations?

Outdated homes usually sell for fairly cheap, but that's because updating a home from floor to ceiling can be a significant financial undertaking. A complete kitchen redo can cost

upwards of \$60,000, and when you're updating two outdated bathrooms, you probably would have saved more money going with the more expensive house that's already beautifully updated.

Remember that to update a house that passes code, you're going to have to hire professionals at some point, not to mention paying for inspections to ensure your DIY job isn't illegal.

Lowballing Will Set You Back

So you can't find a cheaply priced house and you decide to take matters into your hands. It's common to negotiate prices in real estate, but lowballing a seller can have some serious repercussions.

First, if you lowball too much, you could end up insulting the seller and they'll refuse to negotiate further with you. If that was your dream house... oops.

If your local housing market is fairly hot, someone could come in with a reasonable or full price offer and knock you completely out.

While you shouldn't waste the seller's time with unrealistic offers, don't waste your time with an unrealistic seller. If a house has been on the market for a long time and it's overpriced, that probably means the seller isn't willing to negotiate on price. Walk away if this seems to be the case.

If you want to bargain hunt, save those scruples for mortgage shopping. Your mortgage lender won't let you pay more for a house than it's worth economically, so instead of looking at the price tag, stick to your budget. You can still find a home that you love and have it fit your needs without going outside of your preferred price range.





What's Over Your Head? Selecting the Right Materials & Color

Does your roof need to be replaced? It can be a difficult choice when deciding the color and which materials to use.

Picking the wrong color can cause regret for the duration of time you reside in your home and choosing the right roof is not only important for aesthetic reasons, but it may also impact your energy bills and home's value.

Roofing Materials

There are numerous options when investing into a new roof. Your decision can be easier when you understand how to pick the best roofing materials.

Here are different types of roofing shingles that you may opt for depending on the climatic conditions of your area.

- Asphalt shingles is the most popular roofing material. It comes in a variety of texture and colors to match different needs and taste.
- Custom made asphalt shingles enhance the unique look of custom homes. On the other hand, standard asphalt shingles are very economical as compared to other roofing materials.
- Synthetic slate tiles & shake shingles are highly durable and cheaper when compared to genuine slate

tiles. They also prevent mildew and mold growth.

- Metal shingles offer unique and durable options that most homeowners look for in roofing shingles. It can be the ultimate protection against harsh weather conditions.

Energy efficiency

Going green helps you save money by reducing your utility bills and enhancing your home's overall appeal.

Some roofing materials are better insulators than others and can help air conditioning units run less frequently.

Tile is an ideal option for energy efficient roofing materials in some states. If you want something more economical you can go for cedar shingles, they are naturally denser and insulating wood-types.

The Right Roof Color

Most roofing materials come in multiple colors, therefore you should consider the style and siding of your home when making your decision.

Consider the Climate

Where you reside will influence your roof color choice since it can affect your energy bills drastically.

Temperatures in your attic can be influenced by your roof color by 20-40degrees; this means it can make a huge difference in your home's heating & cooling aspects.

There are perfect roof colors for both cold and warm climates. For instance, lighter shingles can reflect sunlight and keep your home's temperature cool whereas dark-colored shingles are good heat absorbers and keep houses at warm temperatures.

If you reside in extremely hot or cold areas, you can consider these facts to help save on your utility bills.

Color Matching

The color of your roof should match other exterior elements



of your home. Your roof color should coordinate with elements such as siding, window shutters, pillars, garage door e.t.c .

By taking your time to evaluate which roof color will match these elements of your home, you will come up with a perfect blend of colors that will create harmony.

Some examples of roof colors that blend well:

- A light green slate roof that matches the color of your window shutters embraces a countryside exterior.
- A fine orange clay-tiled roof on a Mediterranean, French country or Spanish style home.
- A forest green metal roof on cottage-style homes with coordinating siding color.

Stone or Brick Homes

Stone homes, brick homes or a combination of both look wonderful with custom-colored roofs.

A subtle brown or dark gray is suitable for such homes. Avoid weird colors or patchy styles such as reddish pink.

The key is to maintain simplicity when choosing colors for stone or brick homes.

Architectural Style

Your home's architectural style will dictate whether you should pick a neutral or bright color.

If you have a Spanish-style home that is white in color, you can opt for a black or dark gray roof.

You don't want to choose brown or dark orange since these colors will make the roof stand out much more than the house itself.

Picking a color for your roof shouldn't be done on impulse. Take enough time and consult several experts before making your choice.

Whether you like asphalt or metal shingles, you will find a roof color to match your beautiful home.

How R-Value Affects Improvements

If you are thinking of doing some home improvements that involve envelope upgrade, insulation and windows, then you need to know the significance of the R-value before planning anything. Understanding the importance of R-value is essential so you can better understand how each part of the home improvement fits in the overall picture.

R-value – What Exactly Is It?

R-value is important for the construction industry since it is the measurement of an item's thermal resistance. It is related to the U-value; except the U-value is an inverse measurement of the R-value. There are plenty of ways how heat may be transferred; it can be through radiation, convection and conduction. The R-value, U-value and heat conduction are basics for any building-related classes. However, what does these values and concepts mean to the common homeowners?

What It Means

For homeowners who are planning to do some home improvements in the near future, R-value is something that you need to consider in every building material, such as doors, dry walls and wood studs. The R-value is typically found in the building material's packaging or tag.

The Role of U-Value

As stated before, the U-value is the inverse of the R-value, and it is not as commonly seen in the packaging when compared to the R-value. U-value is often a measurement that has great importance when you are dealing with doors and windows.

The primary reason you can always find the U-value in doors and windows is because there is an industry standard that every building should adhere to.

This means that every home improvement or construction,

the contractors or builders must check the U-value, and other values, so it will be up to the building code of the state; otherwise, they would run into problems with the law.

Furthermore, when looking at the U-value, the smaller the number, the better it is.

Compare U-Value and R-Value

As mentioned earlier, the U-value is the inverse of the R-value. This means that if a window has .30 U-value, then its R-value is 3.3.

Now all you have to do is



compare the number to the overall building envelope to see if it is a good performing window or a poor one.

Resisting Heat Flow

For professionals who are dealing with the construction or home improvement work in your home, the R-value allows them to have a better picture of how the material can resist heat flow.

Resisting heat flow also works both ways. It gives you an idea on how the material is going to keep the heat within your home, and it also gives you an idea on how it prevents heat from going inside the house (important for areas with cold winters or cool climate).

Keep in mind that building code differs from state to state, and you can refer to the building code to know the minimum R-value requirement of your location.

In some areas, there are additional high-performance level requirements that you need to fulfill on top of the building code. It is highly advisable that you work with an architect, one that is educated in energy efficiency, when planning for home improvements.

R-Value & BTU

R-value is also closely associated to British Thermal Unit (BTU).

BTU means the amount of energy that is needed to raise the temperature of a one-pound

water by one degree Fahrenheit. It is also the value that is often referred by building professionals to determine how much of your house's heat is lost through air changes ("draft" level of your home) and surface areas (doors, roof, windows, walls).

Hire a Professional

The higher the R-value of a material, the higher it prevents surface transported heat-loss.

Building professionals will be able to tell you how much heating you need to keep your house warm through the winter by factoring the R-value and BTU of your home.

However, this is just the beginning and things can get complicated. This air transported heat loss may affect the R-value of the products in your home because the general architecture of your home effects the overall heating system.

It is a complicated process, and that is why that it is advisable that you hire an energy professional whenever you are thinking of doing home improvements that affect the R-value, drafts and insulation of your home.

For most homeowners, the R-value is one of the most misunderstood or complicated value. Hopefully, after reading this article, you have learned a good number of insights of about R-value and how it can affect your home improvements.



7 Ways To Save Money On Your Move and Move-In

Did you know that moving is one of the most common reasons for divorce? Not only do you have to deal with the stress of relocating all of your belongings, you have to figure out where you're going to come up with all of the money needed to move.

You're paying for transportation, deposits, gas, eating out, and a myriad of unexpected costs -- and all of those add up quite quickly.

Before you start loading up 20 years of junk from your attic, follow some of these tips to save your wallet and your relationship.

1. Do You Really Need to Take It When You Go?

This is an especially important question to ask if you're paying for professional movers. That garage full of boxes might seem important now, but when you're

paying three men twelve dollars an hour to load and unload them, it probably isn't all that sentimental anymore.

Do a major purge before you start packing. Whether you have a garage sale or donate everything to the local Goodwill, only take the necessary things with you.

2. Consider a Hybrid Move

It's quite attractive to think of someone else packing up your dishes, endless picture frames, and your toddler's closet, but is it necessary? You'll save so much money by packing your own house and hitting up your friends and family to help you move across town. Skip expensive movers just to move to the other end of town and save that money for other moving expenses.

3. Use a Hybrid Storage-Moving System for Long-Distance Moves

Heading across state lines? You can save up to 35 percent by opting for a movable storage system like PODS. You'll do the major gruntwork (packing and loading the unit), but the company will pick up the unit and transport it to your new home. It saves you the major hassle of having to transport your entire house yourself.



4. Save on Moving Supplies

You don't need to buy expensive moving boxes! If you check your local for-sale pages, you'd be surprised to see how many people give away boxes to save themselves from having to go to the dump or store them.

If you can't find anyone local who's recently moved, call big box stores in the area and see what days they get big shipments in. They'll often let you take a bunch of boxes off their hands. These boxes are often quite sturdy and will last through even the most vigorous of moves.

5. Save on the Costs of a Long-Distance Move

Moving your family across multiple state lines can be just as costly as moving your belongings. The biggest expense involved in your trip will probably be hotel costs. Call ahead of time and see what are their rates.

Some hotels will offer in-state resident rates, so if your state is particularly large, see if they'll give you a better rate for being a resident. Opt for hotels that offer free breakfast so you can load the family up on free food instead of expensive fast food breakfasts. Try for one sit down meal a day; lunch tends to be the cheapest, so make dinner an easy sandwiches-and-chips combo.

6. Coordinate Your Move

This is especially important with a long-distance hauler. Try to plan your move ahead of time so you get to your new home before your belongings arrive.

No mover will deliver a truck full of goods to an empty house, so try to schedule someone in your family to arrive ahead of time to avoid costly storage fees.

7. Take Advantage of Move-In Offers

As a new homeowner, you're going to be buried in endless offers from home improvement stores and local businesses. If your house truly needs renovations or updates,

take advantage of some of these offers. Just beware of subscription offers; the introductory low rates have to end at some point, and then you're slammed with hefty price jacking in a few months.

If you haven't gotten any tantalizing offers, call around and see if locally owned businesses are willing to offer you a discount for being a new client.

When you're moving, especially if you're buying a house, you're going to feel like you're practically bleeding money. Pinch some pennies where you can for an easier move that's less stressful on you and your bank account.



Dear Dan Landers,

I need your advice. My wife and I haven't been involved in the real estate business since we bought our home over 10 years ago, but we have recently decided to put our house on the market so we can downsize. We are curious as to how much we should expect for the sale. Our real estate agent is working on preparing us a comparative market analysis, but we are wondering if we should also pay for an appraisal of our property. What's the difference between a comparative market analysis and an appraisal? Is it in our best interest to base our asking price on one over the other?

Curious,
Ned

CMA's and Appraisals: What's the Difference?

Dear Curious Ned,

Congratulations on your plans to downsize. The decision to sell a family home can be an emotional one, and you are wise to carefully contemplate your asking price.

Although a comparative market analysis (CMA) uses much of the same information as an appraisal, the two have different functions. A seller's agent performs a comparative market analysis to give an accurate idea of what a home should be expected to bring realistically. It's an informal ballpark estimate that, for a good agent, will be fairly dead-on. Unfortunately, some agents will skew the numbers in order to please a seller and achieve a listing, and others might low-ball the price out of fear of a slow market.

An appraisal is different from a comparative market analysis in that it's a formal procedure that is conducted by a licensed, government-approved appraiser who has no interest at all in the sale of the property. Usually, appraisals are conducted as part of the lending process; banks must have legally binding proof that the property is worth the money they are investing in it. Appraisals can also help in other circumstances.



It's possible an appraisal would help you determine your home's actual value, but if your agent is honest and does his homework, there's no reason to doubt the accuracy of your home's CMA.

Both CMAs and appraisals use multiple listing service, or MLS, information to determine the value of the home based on current trends. Appraisals take it a step further by visiting the home and valuing it based on its square footage, age, location, condition, and features. If a home is listed for higher than it appraises, buyers can be prevented from obtaining a loan. That's why overpriced homes can sit for so long on the market; even if they find interested buyers, loan companies will not allow the process to continue if the property is overpriced.

Since most agents understand the necessity of a listing with a fair asking price, it's probable that the agent's CMA of your home's value will be enough to help you decide on an asking price. Although a few agents will resort to inflated CMAs in order to obtain a listing, quality agents would rather sell the property quickly by listing it accurately.

If, based on recent sales of comparable homes in your area, you believe that your agent's CMA is accurate, then you probably don't need an appraisal, especially if you're satisfied with the price. Remember, even appraisals can be somewhat subjective; although appraisers are licensed and certified, they are still human. Two different appraisers could, hypothetically, arrive at different conclusions on the same property depending on the timing, the circumstances, and even the weather. For this reason, if you're satisfied with your CMA, you'll probably want to leave it at that.

In certain cases, an appraisal could be beneficial. For example, if your home is unusual and the area has few recent sales that could be comparable, an appraisal could be very helpful, such as if your home is entirely solar-powered, or you live in a 200-year-old stone castle you've renovated. Also, if you're very emotionally involved in the sale of your home and you don't agree with your agent's CMA, go ahead and see if an appraisal provides a more satisfactory result.

In the end, the decision is yours. If you're comfortable with the results of your agent's comparative market analysis, there's no need to hire a professional appraiser to double-check. If, on the other hand, you want to ensure that an interested buyer will be given the green light that your property is worth the price, go ahead and get an appraisal. That \$200-\$300 appraisal fee may just prevent you from leaving thousands on the table in the long run.

Regards,

Dan Landers

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