

HOME-VIEWS

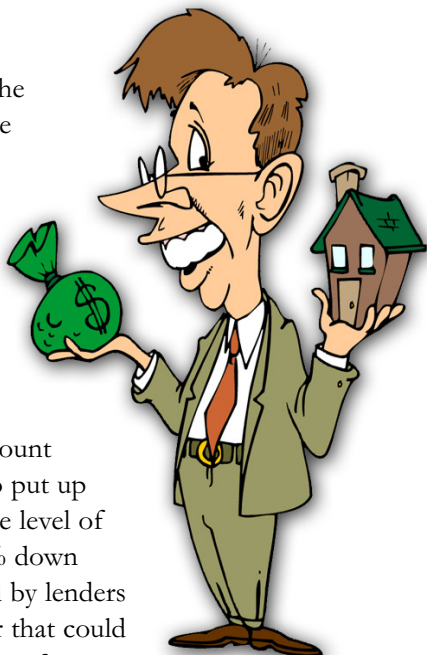
Monthly Newsletter for Today's Homeowner
January 2009



Do larger down payments give home buyers more negotiating power?

During the last 19 months, the mortgage market has undergone some significant changes as a result of declining home prices and rising foreclosure rates. One of the more important changes affecting home buyers is a trend toward higher down payment requirements. From the lender's perspective, the amount of money a buyer can afford to put up as a down payment indicates the level of seriousness of the offer. A 20% down payment is also being perceived by lenders as the single most critical factor that could ameliorate their loss in the event of a default on a loan. Thus, buyers who are able to produce 20% of a home's purchase price in cash as a down payment tend to have more negotiating power with lenders and may be able to obtain a more favorable interest rate.

With interest rates for 30-year fixed loans hovering in the low 5% range and prices for single-family homes softening, now is an opportune time to negotiate an excellent deal on the home of your choice. Knowing how long a property has been languishing on the market, understanding the seller's motivation, and having the cash available for a down payment will put you in a strong negotiating position. In today's volatile real estate market when conditions are changing rapidly, buyers who possess a sufficient amount of available cash to complete a real estate transaction speak the kind of clear language that both sellers and lenders understand.



Helpful ideas on buying homes for resale potential

Many people are able to make a profit by purchasing a home that needs repair, fixing what needs to be repaired, and then selling the home again relatively quickly at a higher price. These kinds of homes are often found as foreclosure sales, probate sales, and short-sale properties where lenders are reducing the amount of outstanding loans in order to clear their balance sheets. There are many risks involved with buying homes in need of repair, but if a buyer is knowledgeable in building construction, risks can be reduced and a profit can be made.

Structural repairs can involve correcting seriously defective components in a home's basic framework or the foundation. They can be very expensive to fix and thus may negate any potential profit. Cosmetic repairs such as replacing carpets, removing old wallpaper, or repainting the exterior walls and interior rooms involve problems that can be more cost-effectively remedied.

Investments in cosmetic repairs often prove profitable when the home is sold again.

The best time to buy a fixer-upper home is when the real estate market is weak and sellers are reducing their prices. The worst time to buy a fixer-upper is when the market has peaked and is beginning to decline. Curb appeal sells houses, so cosmetically improving the front yard landscaping and the appearance of the house from the street is a good idea. Research also shows that kitchens, bathrooms, and storage spaces are areas worth renovating inside the house.



"The best thing about the future is that it comes only one day at a time."

~ Abraham Lincoln ~



A list of important **tools** to have in your home



The following is intended to be a list of important primary tools to have in your home and is not necessarily all-inclusive:

Claw hammer – Has one side for hammering and another side for removing nails; 16 oz. is a good size if you only have one hammer

Tape measure – 1" wide x 25' long is adequate for most measuring jobs

Set of screwdrivers – Should include a minimum of three different-sized flat-blade screwdrivers and two (#1 and #2) Phillips-head screwdrivers

Pliers – Regular pliers and needle-nose pliers both come in handy

Adjustable crescent wrench – Fits around different sizes of nuts and bolts; 10" or 12" is recommended, or:

Channelocks – Arc-joint pliers with tongue and groove; 12" size is recommended

Adjustable pipe wrench – For grasping round pipes; 14" is a good size

Wood handsaw – For cutting small and thin pieces of wood, as for molding

Circular power saw – For cutting wood that requires too much effort for a handsaw

Electric drill – A major labor saver when drilling many holes, such as predrilling holes for nails and screws

Wire strippers – For stripping the covering off wires prior to connecting them

Caulking gun and sealant – For making small sealant repairs and filling holes

Plunger – For helping to unclog a toilet or a sink

For people who would prefer not to buy tools individually, there are many combination tool kits that are sold in hardware stores and home improvement centers.

Do you know what **YOGA** can do for you?

In the ancient Hindu tradition, the word *Yoga* means *Union*. The general concept behind the practice of Yoga is to harmonize and unify the physical, mental, and emotional components of a human being so that maximum peace, joy, and effectiveness in all of life's endeavors can be achieved. Some people associate Yoga with classes that teach physical routines. Practicing various physical postures constitutes a branch of Yoga called Hatha Yoga; instead of being a form of exercise, the postures were designed to tense and relax muscles and internal organs to enhance health and facilitate relaxation. Other benefits of Hatha Yoga include increased dexterity, flexibility, and muscle joint mobility; better blood circulation; improved coordination; increased stamina; and bal-



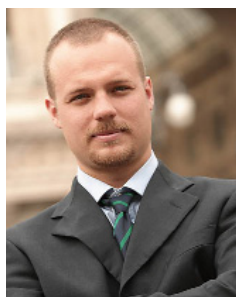
anced hormone production in the body's important glands.

Thousands of years ago, Chinese and Indian Hindu physicians understood that the health of the physical body directly affects mental health and vice versa. Another branch of Yoga commonly known as meditation focuses on calming the mind by using certain techniques to enhance the mind's ability to concentrate. When practiced regularly over a long period of time, the meditation techniques learned by the mind act similarly to the way scales taught to a music student eventually result in the student's being able to play an instrument. The student of meditation becomes able to relax the mind at will, and the state of relaxation produced enhances physical health while allowing greater mental concentration that tends to foster success in life.

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