



Real Estate Matters

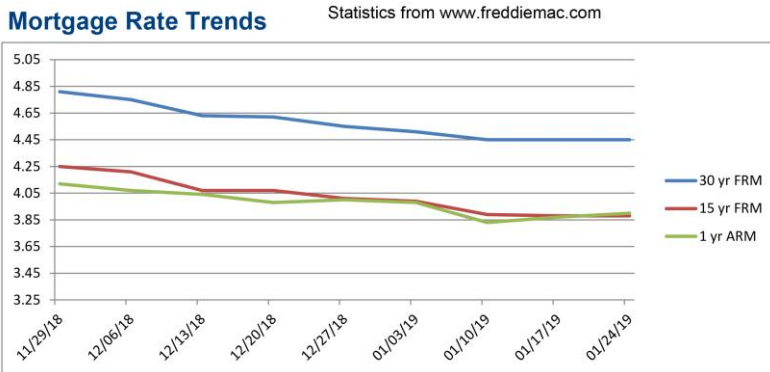


Brought to you by Kim Nelson Homes
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DRE #02058592



Where are Interest Rates Now?

We keep hearing about rising mortgage rates over the last few years. The reality is, for the last two months, mortgage rates have actually decreased and are essentially at the same level as last spring.



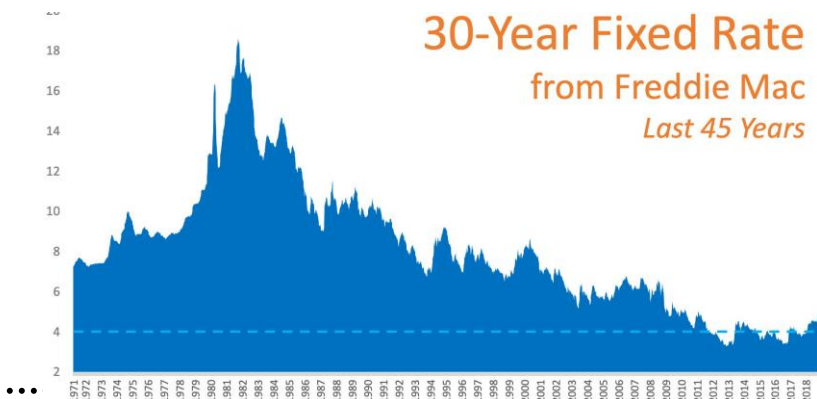
Is the current rate of 4.45% high? When compared to recent history, the all-time low for a 30-year fixed rate mortgage in Nov 2012 was 3.31%. So compared to that, yes, it's higher. However, when looking back over the last 45 years, the all-time high was over 18% in the 80's. In historical context, mortgage rates today are still quite low.

How low? If you look at the monthly rates going back to 1971, today's current rate is less than 85% of all of those months. Over that history, the median 30-year mortgage rate is 7.70%. So compared to that, rates are still at historical lows.

This decade, we've seen the lowest mortgage rates in history.

Why? The Federal Reserve held the Fed Funds Rate at 0% for seven years (Dec '08 to Dec '15) and have since raised rates at record slow pace.

Are you looking to buy a house this winter/spring? Unless you have all cash, you'll need to talk to a lender about financing. I work with some of the best, most creative lenders with programs for first-time homebuyers, new grads, downsizers and more. Give me a call if you are looking to get pre-qualified and I'll provide a referral to a great lender.



Why Is 'For Sale by Owner' Such a Bad Idea?

When it's time to sell your home, you may wonder which route to take: partner with a real estate agent or go it alone with FSBO. Which will deliver better results? Here are three reasons you should avoid the FSBO path.

The paperwork is daunting: Buyer offers. Real estate contracts. Lender forms. Inspection reports. Closing documents. Not every homeowner is prepared for the piles of paperwork involved in a real estate transaction. Details and deadlines can easily be missed. Bad deals can be made. A real estate agent is familiar with all the documentation involved, will walk the seller through the process, and will handle much of the paperwork required.

The process is challenging: Buyers want to see your home when it's convenient for *them*. Without an agent to show your home, it's up to you to make all arrangements for showings. This includes getting your home ready for the market. What work should be done? What's worth the investment of time and money? An agent could answer these questions for you. If you don't have one, you're on your own to prep your home, show it to buyers, negotiate offers, and get the deal to closing.

The cost is more than you think: A common reason for choosing FSBO is to try to save money. FSBO isn't as cheap as you might think. You'll have to cover all marketing costs, and you'll have to devote your personal time to these efforts. And it might take longer to sell due to the limited exposure you can get without an agent marketing the home. To top it off, FSBO homes typically sell for less than homes listed by real estate agents. The net result: zero savings.

Bad Driving Habits You Might Not Know You Have

Not many drivers think of themselves as being “bad” behind the wheel, but even great drivers can make mistakes. When you’ve been driving for long enough, bad habits can start to creep in and go unchecked.

Let this be your reason to check them. Here’s a look at three of the most common bad driving habits that you might not know you have.

Not looking to the right when turning right: You’re waiting to make a right turn at a stop sign or a red light. You look left, to make sure there’s no oncoming traffic. But do you look right? This is a very common mistake with very grave potential consequences. Pedestrians may be crossing in front of your car, in the direction of the green light. Without checking your right side, you could easily hit them.

Quick Quiz

Each month I’ll give you a new question.

Just email me at knelson@apr.com or call 408-718-7443 for the answer.

Cats are feline; cows are bovine; what are eagles?

Why Not Pass Me to a Friend?

If you’ve enjoyed this newsletter and found its information useful, please pass it to a neighbor, friend or co-worker.

And if you have any comments about it, don’t forget to give me a call or send me an email!

Giving right-of-way to someone else: Following the rules of the road, including right-of-way, is what keeps everyone safe. While waving someone else through and giving them right-of-way might seem like a polite gesture, it could be more trouble than it’s worth. This may confuse other drivers who are expecting you, not another car, to turn or proceed.

Turning your wheels while waiting to turn: This seems like a pretty benign action, right? Wrong. Your wheels should always be positioned straight ahead, even when you’re briefly waiting for a car or pedestrian to clear the path of your turn. If your wheels are turned and another car hits you from behind, you could be pushed into traffic, endangering yourself, pedestrians, and other drivers.

Wondering How Much Your Home Is Worth?

How has the price of your home changed in today’s market? How much are other homes in your neighborhood selling for?

If you’re wondering what’s happening to prices in your area, or you’re thinking about selling your house, I’ll be able to help. Just give my office a call for a no-fuss, professional evaluation.

I won’t try to push you into listing with me or waste your time. I’ll just give you the honest facts about your home and its value. And maybe I’ll also give you the “inside scoop” on what’s happening in the housing market near where you live!

Just give my office a call at 408-718-7443 to arrange an appointment.

Alternatively, stop by at the office. The address is on the back page of this newsletter.

Worth Reading

Teach Your Teens These Five Things About Money

By *Christine Burke*
Lifehacker.com

If your teenagers went to a restaurant for dinner with friends, would they be able to calculate without issue their share of the bill, along with a tip? This article drives home the importance of teaching older children about money and outlines the most crucial topics to discuss: using an ATM, applying basic accounting, writing a check, and, of course, calculating tips.

More:

<https://tinyurl.com/worthread219-1>

How to Survive a Kitchen Remodel

By *Becky Harris*
Houzz.com

Piles of dust. A useless sink. Seemingly endless drilling. Welcome to your kitchen remodel. This article outlines survival tactics for living through a kitchen renovation. Make a list of what not to pack; you’ll go crazy if your must-have tools are in a box.

Creating a makeshift kitchenette in another room will help you rely less on takeout. A menu of simpler meals means less prep and less cleanup. **More:**

<https://tinyurl.com/worthread219-2>

The Dying Art of Conversation

By *Rashmi Oberoi*
TheCitizen.com

Digital technology and social media have dramatically changed our world. In many ways, their influence has been positive—except, perhaps, when it comes to conversation. This article examines how face-to-face conversation may be a dying art in a world that so often relies on email, text messages, and Instagram comments. **More:**

<https://tinyurl.com/worthread219-3>

Moving? Avoid These Major Mistakes

You might say that moving involves a lot of ... moving parts. It can be difficult to coordinate all the aspects of pulling up stakes and putting down roots in a new place. Considering these challenges, it's no surprise mistakes are made. From minor inconveniences to major disasters, moving blunders make the entire process even harder. Here are some of the most common missteps to avoid during your next move.

Making it a DIY project: Many moves can be handled by the homeowner, but not all. Be honest with yourself (and your friends). Do you really have the strength, time, and skill to pack, load, unload, and unpack all of your belongings? Consider any fragile or valuable items. Keep in mind any oversized belongings. Movers come with a cost, but so does trying to handle a project beyond your capabilities. Personal injury and property damage often end up costing more than movers would have.

Allotting the wrong amount of time: How long will it take you to pack? Many

people under- or overestimate this time period. If you don't give yourself enough time, you will be rushed and stressed when moving day arrives and you're not ready. If you start too early, you may have to unpack and repack things that you need before moving day. A good rule of thumb is to count the number of bedrooms in your home, then add one. This is the number of days it should take you to pack. If you have a lot of items that will require careful wrapping and storage, add another day.

Skipping the purge: Moving is the ideal time to get rid of things you no longer need. As you pack, make three piles: trash, donate, and keep. This requires a little effort and organization, but the process will make your move more efficient and will save you time, money, and hassles in the long run.

Forgetting to call a real estate agent: When it's time to move, a real estate agent is one of your most valuable resources. This professional can sell your current home, find your new dream home, and walk you through the entire process. Agents have been through all

this before and can provide resources and advice as you transition from one home to another. Don't miss their input!



5 Quick Car Hacks to Keep Your Ride Sharp



the glove compartment for
g small scratches.

nt dings, cut a pool
half lengthwise and
your garage where the
meets the wall. Use a
tic cereal container as
trash can.

storage, install a mesh
et from the car's
interior overhead hooks.

Some car owners are fastidious about vehicle maintenance. For others, upkeep happens only when it's really needed (like when the layer of crushed Goldfish crackers on the floor becomes unbearable). Want to become a more attentive car owner? These car hacks can help.

Find a bottle of nail polish in a similar hue as your car and keep it in

Have small kids? Keep Magna Doodle toys in the car; they work as both eating trays and entertainment.

Ask the Agent: This Month's Question

What is earnest money?

When sellers receive an offer on their home, they want to know the buyer is serious. To demonstrate the genuineness of their offer, buyers provide earnest money.

This check (or cash) typically equals three percent of the purchase price. It is given to the sellers with the offer. If the offer is accepted, this "deposit" helps reserve the home for the buyer.

These funds are deposited into an escrow account until closing, when they are applied to the purchase of the home. If the deal does not go through, the seller returns the earnest money to the buyer. However, if the buyer backs out of agreed-upon terms, the money can be at risk of not being returned.

Buyers can work with their real estate agent to protect their earnest money by writing certain contingencies into the contract.

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			4		9	1	
6		7			5		3
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	6					5	

Sudoku instructions: Complete the 9 × 9 grid so that each row, each column and each of the nine 3 × 3 boxes contains the digits 1 through 9. Contact me for the solution!

Real Estate Matters is brought to you by: **Kim Nelson Homes**

How do I know if downsizing is right for me?

Downsizing has costs and rewards. You may have to give up things, but you'll gain something as well. If you're considering moving to an urban environment from the suburbs, you might miss your neighborhood, your neighbors, and your big workroom and garden. If you're purchasing a condo or townhome, you may have to pay HOA fees, and you'll likely sacrifice some privacy.

On the other hand, you'll probably save on utilities and maintenance costs. You can start fresh and redecorate just the way you want. And you'll find you're now able to take advantage of city life and enjoy the benefits of being close to all the urban amenities.

Plan ahead. You'll probably still want to host family celebrations. So think well-organized kitchen and sufficient entertaining space. Most importantly, keep an open mind. This may be the best move you've ever made.

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