

A Special Message

I am pleased to present you with the latest issue of Life@Home. Delivered to home buyers, sellers and owners on a monthly basis, this electronic newsletter is designed to give you the real estate information that is important to you. In each issue, you will find practical tips and articles related to buying, selling or owning a home, as well as the latest news on real estate trends. I hope that you enjoy this issue of Life@Home. If I can be of any assistance, please do not hesitate to contact me.



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Remodeling Projects That Will Improve Your Home's Bottom Line



Which remodeling projects give you the best bang for your buck? All projects are not created equal; some will add to your home's resale value while, surprisingly, others may not.

Remodeling magazine recently released its annual Cost vs. Value Report, which compares construction costs for popular remodeling projects to the share of those costs recovered at resale.

Since 2005, the improvements that have yielded the greatest amount of cost recouped have been exterior projects, such as door and siding replacements and wood deck additions. This year, on a national level, exterior projects account for seven of the top 10 spots in terms of cost recouped. A steel entry replacement door that costs an average of \$1,172, for example, added \$1,470 to the sales price of a typical house, or 128.9 percent of cost recouped. A wood deck addition recouped 80.6 percent of costs on resale.

The reason exterior projects have such a good return on investment: Curb appeal. These projects improve a home's curb appeal, helping it make a better impression on potential buyers. They also cost less than many other projects, so the return is better.

Other midrange projects that return a high percent of costs on resale include:

- Attic bedroom (83.1%)
- Vinyl siding replacement (79.9%)
- Minor kitchen remodel (78.3%)
- Basement remodel (75.4%)
- Major kitchen remodel (72.1%)
- Two-story addition (68.6%)
- Home office remodel (48.1%)

Regionally, cities in the Pacific states of Alaska, California, Hawaii, Oregon and Washington outperformed the rest of the nation in terms of remodeling costs recouped upon resale.

Before you embark on a remodeling project, consult with a reputable local remodeling firm about construction costs—and call our CENTURY 21 Office to speak with an agent who can tell you about home prices in the area.

FHA Changes Rules for Buyers



Planning to get an FHA loan? Then you need to be aware of some upcoming changes that may make your FHA loan more costly.

In January, the Federal Housing Administration announced a set of policy changes intended to strengthen its capital reserves. While the changes help FHA better manage its risk, they also have the effect of making FHA mortgages more expensive. That may make it more difficult for some buyers to afford a home.

The announced changes are:

- Mortgage insurance premiums will be increased to 2.25%. This will go into effect in the spring.
- New borrowers will need a FICO score of 580 to qualify for FHA's 3.5% down payment program. Borrowers with less than a 580 will have to put down at least 10%. This will go into effect in the early summer.
- Allowable seller concessions will be reduced from 6% to 3%, effective in the early summer.

"The FHA's delinquency rate has been spiraling higher, and they're trying to take some steps to tighten qualifying standards," says Mike Larson, a real estate analyst with Weiss Research. "For a buyer at the margin, it will make it tougher to qualify for an FHA loan. You may have to have a better credit score or come up with more money."

Since FHA loans are particularly popular with first-time buyers due to their low down payment, buyers need to be acutely aware of these impending changes and take appropriate steps to ensure they will qualify.

Is Your State a "Magnet State"?



More people chose to settle in Texas than anywhere else in the U.S. in 2009, according to Allied Van Lines' Annual Magnet States Report. Texas attracted more movers for the fifth year in a row. Arizona placed second, followed closely by North Carolina. Colorado and Florida placed fourth and fifth

Featured Listings



39 Essex Lane Wilkes-Barre, PA 18702

MLS ID: 10-1101

Double block in good condition with off street parking. Huge 4 car garage in rear. Rent is projected. For more information contact Jim Ellis @ 570-474-6307.



11 Summit Drive White Haven, PA 18661

MLS ID: 08-2791

Perfect country living situated on 1 1/2 acres. New vinyl siding 2008. Hot tub with plenty of outside recreation area. For more information contact Jim Ellis @ 570-474-6307.