

Renovations That Cause Neighborhood Feuds

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Homeowners doing renovations can develop feuds with their neighbors if they're not cognizant of how work on the project affects the rest of the neighborhood. After all, one homeowner's upgrade could be another's downgrade. Realtor.com® recently ticked off common home improvement spats.

Additions that block views. Large additions that block views or cast shadows onto a neighboring lot are the most common sources of neighbor disputes involving a remodeling project, according to Mark Grisafe, an architect in Long Beach, Calif. Homeowners would be wise to consider what the neighbors will see from their windows—will they suddenly have a view of a brick wall?—once the addition is built.

Lengthy projects. Tension with neighbors is bound to brew if there's "a permanent front yard landscape palette that features weeds and a chain-link construction fence that lingers for a year," Grisafe says. Owners should work with contractors to limit construction noise and traffic congestion as much as possible to be respectful of the neighbors.

Distracting colors. "Bright primary colors are just not proper for exterior use unless you live in Key West or the Caribbean," says Juan Carlos Daetz, a home design expert at Max Warehouse. "Any color that goes against the theme or general use of the neighborhood can be distracting and may harm property values." Owners should consult HOA guidelines and neighborhood covenants when tackling an exterior paint job.

Too much lighting. "Make sure [construction] lights aren't aimed at your neighbors' windows, and be considerate about the hours that you use high-

beam lights,” says Brad Woods, owner of American Turf and Tree Care in Colorado.

Source: [“7 Home Improvements That Could Turn Your Neighbors Against You,”](#) [realtor.com®](#) (June 29, 2017)

4 Expenses Your Buyers Don't Expect

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Buyers need to reserve the equivalent of about 2 percent to 5 percent of a home's purchase price for closing costs, such as appraisal, lender, and title fees. But that's only a portion of extra homeownership expenses.

Nearly half of home shoppers say they faced more than \$2,000 in unexpected charges during the homebuying process, according to a survey by TD Bank. Ten percent spent at least \$5,000 more than they originally expected. So make sure your clients are aware of these extra expenses.

Home inspection fee. Home buyers will want to have the home evaluated by an inspector prior to closing, which may cost about \$300 to \$500. If any problems are detected, they also might need to hire a specialist for further investigation.

Extra cash at closing. Many lenders require purchasers to pay a year's worth of taxes or the equivalent percentage of the mortgage upfront. The seller may have prepaid any taxes or homeowners association fees, which means the buyer will then have to pay the seller a prorated amount for the remainder of the quarter or year. “Once you're done with all the fees and the deposits for reserves, you may end up bringing many more thousands

of dollars than you thought to the closing,” says Keith Gumbinger, vice president of mortgage website HSH.com.

Moving costs. Professional movers often cost a few thousand dollars. CNNMoney recommends gathering several quotes from companies and making sure to hire someone who is licensed by the [Federal Motor Carrier Safety Administration](#).

Immediate costs. Encourage your clients to set up an emergency savings account with at least six months of expenses in the case of unexpected events such as a leaky roof or a broken water heater.

Source: [“4 Costs You Haven’t Factored in Your Homebuying Budget,”](#) CNNMoney (June 26, 2017)

The True Impact of Home Staging

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Sixty-two percent of listing agents say professional staging decreases the amount of time a home spends on the market, while 40 percent of buyer’s agents say their clients are more willing to walk through a home that has been staged, according to the National Association of REALTORS®’ [2017 Profile of Home Staging](#).

“REALTORS® know how important it is for buyers to be able to picture themselves living in a home, and staging a home makes that process much easier for potential buyers,” says NAR President William E. Brown. “While all real estate is local and many factors play into what a home is worth and how much buyers are willing to pay for it, staging can be the extra step sellers take to help sell their home more quickly and for a higher dollar value.”

Thirty-one percent of respondents to NAR's survey say staging increased the dollar value of a home they sold by 1 percent to 5 percent; 13 percent of respondents say it increased a home's dollar value by 6 percent to 10 percent. Agents on both the buying and selling side agree that the living room is the most important part of a home to stage, followed by the master bedroom, kitchen, and outdoor space.

Thirty-eight percent of listing agents say they stage every one of their sellers' homes before listing them. Fourteen percent say they will only stage homes that are difficult to sell, while 7 percent say they only stage homes in higher price brackets. However, 37 percent of listing agents say they do not stage homes at all before listing them. Instead, they say they make recommendations to sellers to declutter their homes and fix any issues.

Agents who stage say the seller pays for the staging 25 percent of the time, according to the survey. Twenty-one percent say they have provided funds to stage a home. Fourteen percent of agents say they offer home staging services to sellers.

Source: [National Association of REALTORS® 2017 Profile of Home Staging](#) (2017)

Mortgage Rates Post Biggest Jump in Months

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The 30-year fixed-rate mortgage this week made its biggest increase since March, moving closer to a 4 percent average, Freddie Mac reports.

“Global interest rates turned up sharply over the last week,” says Freddie Mac chief economist Sean Beckett. “The 10-year Treasury yield was no exception, increasing 10 basis points in a holiday-shortened week. The 30-year mortgage rate followed suit, rising 8 basis points to 3.96 percent.”

Freddie Mac reports the following national averages with mortgage rates for the week ending July 6:

- **30-year fixed-rate mortgages:** averaged 3.96 percent, with an average 0.6 point, increasing from last week’s 3.88 percent average. Last year at this time, 30-year rates averaged 3.41 percent.
- **15-year fixed-rate mortgages:** averaged 3.22 percent, with an average 0.5 point, rising from last week’s 3.17 percent average. A year ago, 15-year rates averaged 2.74 percent.
- **5-year hybrid adjustable-rate mortgages:** averaged 3.21 percent, with an average 0.5 point, increasing from last week’s 3.17 percent average. A year ago, 5-year ARMs averaged 2.68 percent.

Source: [Freddie Mac](#)

