

realtyreport®

Compliments of Donna Reilly

Weichert, Realtors



DONNA REILLY
Sales Representative

Weichert, Realtors

350 Nassau Street
Princeton, NJ 08540

Office: 609-921-1900
Cell: 609-462-3737
DonnaReilly@weichert.com
www.DonnaReilly.com

Greetings! You're receiving this newsletter with hopes that you find it informative and entertaining.

If you're thinking of making a move, or are just curious as to real estate trends in your area, please feel free to call at any time. It's always good to hear from you!

All the best,

Donna Reilly



Cell: (609) 462-3737 • Home: (609) 860-8498
DonnaReilly@weichert.com • www.DonnaReilly.com



Navigating Choppy Real Estate Waters

Over the past couple of years, you may have heard of homeowners being “underwater” or “upside down” in their mortgages. These terms refer to negative equity, when borrowers owe more on their mortgages than their homes are worth. How does this happen?

Negative equity can occur when a property declines in market value, resulting in a current value that's less than what the homeowner paid for the property. It can also occur when the homeowner increases his or her mortgage debt. As well, negative equity can be the fallout of the combination of these two things.

Reports indicate that more than 24 percent of all U.S. residential properties with mortgages were in negative equity at the end of last year. To weather your real estate investment through economic ups and downs, keep these points in mind:

1. CONTROL YOUR DEBT. Keeping your overall debt low, and maintaining your credit rating are paramount, especially for when you need to refinance your mortgage.

2. PROTECT WHAT YOU HAVE. If you're not in negative equity, congratulations! To keep your position strong, avoid taking a home-equity loan, which would risk putting you in negative equity if the value of your property drops.

3. REVIEW YOUR MORTGAGE ON A REGULAR BASIS. Rates are at all-time lows. It may be time to review your mortgage with your lender, to see if you should lock in your rate or adjust your terms now.

It's important to stay on top of the latest news in the real estate market, and within your own neighborhood. Please call for more information, and for a complimentary home assessment, to find out your house's value in today's market.

USSF



THE EPICUREAN CENTER

What's the recipe for a fabulous, functional kitchen? This question is key whether you're buying a new home, renovating your current one to make it more appealing to potential buyers, or enhancing it for your own enjoyment. Below is a list of essential epicurean kitchen ingredients:

1. Layout is crucial. The classic work triangle — of which the three points are the fridge, stove and sink — is classic for a reason: it's the most efficient layout. But as homes become bigger, two-cook families become more common, and more entertaining happens in the kitchen, the triangle gives way to layouts consisting of multiple workstations in the form of islands and peninsulas, sometimes outfitted with a second sink or cooktop.
2. Today's homeowners have more kitchen appliances than ever — juicers, countertop composters, espresso machines — making counter space critical. Counters should be ample beside the fridge, stove, sink and microwave, where they'll be used the most. As to countertop finishes, durability and easy cleaning are key. Ceramic tile and laminate surfaces aren't as durable as solid surfaces like granite and marble, but cost considerably less.
3. Flooring should likewise be durable and easily cleaned, as kitchens are high-traffic areas and subject to frequent spills. Vinyl is often forgiving, potentially saving that dropped dish, but it damages easily and needs replacing sooner than other flooring. Wood and ceramic tiles look great but are harder to clean. Laminates lend themselves well to kitchens, as they're long lasting, easy to clean, reasonably priced and attractive.
4. If energy-efficient appliances aren't a must now, they soon will be, as homeowners become ever more conscious about lowering the costs of home maintenance and the impact of energy use on the environment. Regarding color and finish, stainless steel is trendy and attractive. On the flip side, trends come and go, and stainless steel finishes show fingerprints easily, requiring frequent cleaning to maintain their good looks. A popular, fail-safe alternative to stainless steel is classic white.
5. Standard 30-inch high cabinets are giving way to 36- or 42-inch cabinets, providing extra storage for rarely used items. Custom cabinets are the most pricey, but even stock cabinets are customizable, thanks to the multitude of space-saving organizers available, like under-cabinet spice racks, roll-outs, Lazy Susans, hanging cookbook racks, etc.
6. For a kitchen to be appealing and functional, it should incorporate both ambient and task lighting. Task areas like sinks, counters and tables need intense, shadowless light — under-cabinet mounts to illuminate counters; and pendant-style fixtures suspended over islands and peninsulas. Ambient light provides the brightness needed for casual activities — fluorescent uprights over cabinets; halogen puck fixtures; and dimmer switches to create mood.

GO GREEN

Kitchen countertops made of stones like granite and marble are fashionable but far from eco-friendly. The quarrying to dig the stones out of the earth is destructive to natural habitats and pollutes our air and water. For a greener alternative, consider countertops made from recycled glass, recycled paper, or sustainable woods or grasses like bamboo.



Buying, or “Just Looking”?

AVOIDING REJECTION

Few things are more heartbreaking than finding the perfect home for you, but then getting turned down for a mortgage. By knowing some of the common reasons lenders reject otherwise qualified applicants, you can be proactive in avoiding them. Here are a few rejection reasons:

- Information on your application is inaccurate or incomplete. Lenders will want to know about all aspects of your financial status, so make sure you know exactly what information and documentation you'll need to provide, and don't omit – or lie about – anything. Also, be sure lenders can quickly get hold of you should they need any further details.
- Problems with your credit report. You may have a fine credit score, but if there are mistakes or omissions on your credit report, it may not look that way to lenders. Get a copy of your credit report and ensure it's error and omission free before you apply for your mortgage loan.
- There may be issues with the property you intend to purchase. Not every property is an acceptable risk for lenders in that they may not be able to recoup their money should they need to sell it. Check with lenders early on to make sure they deem as an acceptable risk any property you're considering.
- Your financial situation may have changed significantly prior to applying for your mortgage. Avoid making major purchases, like a car, changing jobs, or moving your money around right before you apply for your loan, lest you throw your debt-to-income ratio off, create uncertainty about your future earnings, or make it difficult for lenders to track your assets.

Is your home on the market? If so, it's important you know with whom you're dealing as far as potential buyers are concerned. Some types of buyers are less desirable than others — to learn which, read on.

- Looky-loos, window shoppers, tire kickers — whatever your preferred term, these “buyers” aren't really buyers at all in that they're not actually interested in ever purchasing your home. Really, looky-loos are time wasters, likely only viewing your home to get decorating ideas, because touring homes is their pastime, or out of sheer nosiness.
- Buyers who may have difficulty qualifying, or will be unable to qualify, for the financing needed to purchase your property. The fact is, not every buyer who expresses interest in your home is able to afford it and many buyers will not have a pre-obtained mortgage loan. Such buyers might keep your home tied up for weeks while they try to arrange for financing — financing they may never obtain.
- The lowballer. Offering less than the asking price is a normal and expected part of the negotiating process. But some buyers are so aggressive and unrealistic in their lowballing that they'll try to undercut you no matter how far you go in compromising on your asking price or counteroffers. Often, buyers who unreasonably lowball aren't serious about buying.

A real estate sales representative will determine the quality of your potential buyers — a valuable service to you. A qualified real estate sales representative will pre-screen prospective buyers on your behalf, weeding out those who aren't serious about buying, or who might not be financially able to close the deal, and instead focusing on the desirable buyers — effectively saving you time, energy and even money.

Planting Perks

While the finished product is something to admire, the actual process of gardening offers many benefits to those willing to take the time to get down and dirty. Here are some of those perks.

- **Gardening provides opportunity for exercise.** The activities such as lifting, pulling and digging put all of your major muscle groups to work and can increase your joint strength and flexibility. Be sure to spend a few minutes stretching before and after your gardening.
- **You'll eat better and in a more environmentally friendly way.** By growing your own fruits and vegetables, you're likely to eat more of them, and they'll probably have a better taste and be healthier than the chemically fertilized ones that travel for days before arriving at your local grocer.
- **Gardening is a great stress reliever.** Getting your hands away from your smartphone and into some dark, rich soil – and creating something beautiful in the process – is a great way to de-stress. Vigorous activities like chopping and digging provide an outlet for built-up tension.
- **Spending time in the sunlight, a major source of Vitamin D, is essential for healthy bones and immune systems.** It increases serotonin and boosts oxygen levels, heightening energy and mental alertness. Studies have shown that people who garden recover from illness more quickly.

If your house is currently for sale, or is soon to be, devoting some time to gardening has an added benefit: your landscape is one of the first things potential buyers will notice. And a well-tended garden makes a good first impression, signaling to buyers that your house has been similarly well-maintained and cared for.



Terminology Tip

DOM — DOM stands for “days on market,” meaning the number of days a property is listed on an MLS® before it’s sold or taken off the market. DOM is a useful indicator of market activity: a lower average DOM is indicative of a seller’s market, where fewer properties are listed and inventory sells more quickly; a higher average DOM is indicative of a buyer’s market, where more inventory is available and properties take longer to sell.

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Sales Representative

Please don't forget to visit my website www.DonnaReilly.com. Here you will find valuable and timely real estate information, including up-to-the minute West Windsor neighborhood market updates. I hope you find this website helpful, and would welcome any suggestions or comments you may have. Please feel free to call me any time at 609-462-3737, or send me an email at DonnaReilly@weichert.com. It will be my pleasure to be of service to you.

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