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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 me at any time on my cell at 609-462-3737. And remember, up to the minute West Windsor real estate information is always available at West-Windsor-Homes-NJ.com or [Facebook.com/West.Windsor.Homes.NJ](https://www.facebook.com/West.Windsor.Homes.NJ).

All the best,

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DOES THIS FHA POLICY UPDATE AFFECT YOU?

You may have heard about the new Federal Housing Administration (FHA) policy, announced in January of this year, which reduces annual mortgage insurance premiums (MIP) on FHA loans. Is this something that might affect you?

The FHA does not originate, but rather insures loans with down payments as low as 3.5 percent. The new reduction from 1.35 to .85 percent in the annual MIP is just the boost the National Association of REALTORS® anticipates many first-time borrowers may need to help them qualify for a home loan.

In addition to first-time homeowners, who else might benefit from the MIP reduction?

Existing homeowners may want to talk to their lender or mortgage broker to find out if it makes sense for them to refinance, comparing any savings they could achieve by switching to a lower mortgage rate and saving on their MIP to

the administrative and other costs involved in the refinancing process. In some cases, homeowners may find they're now in a position to reduce the term of their mortgage, or they may even decide they can now afford a more expensive home.

Even if the new FHA changes don't apply to you, they may apply to a first-time buyer you may know, or even to someone who wants to buy your house! Please call today with any questions, or forward this newsletter to a friend or colleague who may be interested in today's real estate market.





CABINETRY CURES

Kitchens and bathrooms are arguably the most important rooms in a home, and their cabinetry is their focal point. Do you have cabinetry that's looking worse for wear or is just plain outdated? If so, rest assured there's a makeover method to suit every budget and need.

If your cabinetry is structurally sound (solid joinery, doors and drawers open and close as they should) and there are no signs of water damage or excessive wear and tear (rot, cracks), then there's likely no need to spend your money replacing it entirely, as your cabinetry is a good candidate for refurbishing. Let's look at your options:

- **Refinishing.** This is a great option if you like everything about your cabinetry but the color or finish. It's certainly the cheapest way to give your cabinetry a facelift, but as it involves stripping, sanding, and painting or staining, refinishing can be labor intensive, time consuming, and messy. Keep in mind your cabinetry must be in great shape (surface prep is key!); not all materials take paint well (wood is good, laminate isn't); and it's harder to lighten cabinetry than darken it.
- **Refacing.** This involves installing new (or veneering over) door and drawer fronts, and veneering the visible parts of cabinet boxes. Even if you hire a professional for the job, refacing is substantially cheaper than replacing your cabinets. Unlike refinishing, you can completely change your cabinetry's style, giving you greater freedom to shake up the look of your kitchen or bathroom, which can remain functional while the work's being done, making refacing a less intrusive process.

- **Replacing.** If, on the other hand, your cabinetry has simply seen too much wear and tear, was never good quality in the first place, or you'd like a different layout (maybe one with more storage space), replacement makes the most practical sense. If money's no object, go for custom cabinetry, but if it is, opt for unfinished cabinetry and finish it yourself. Be warned: the replacing process is relatively long and disruptive, as all contents must be removed, and appliances and plumbing need to be disconnected.
- **Rejuvenating.** After all the effort and expense of refinishing, refacing, or replacing your cabinetry, it would be a shame to use the same old hardware. Installing new knobs, pulls, and hinges is an easy, inexpensive way to update your cabinetry. In fact, if you do nothing else to it, do this! In addition to aesthetic appeal, hardware can add functionality. Take self-closing hinges and drawer guides – by preventing slamming, they help preserve your cabinetry's finish, extending its life.

Speaking of functionality, consider outfitting the insides of your cabinetry (which, by the way, can also be veneered, painted, or stained for a new look) with accessories that save space and make your kitchen or bathroom more user-friendly. Drawer organizers, Lazy Susans, roll-out shelving, pull-out garbage bins – there's no shortage of options!

SALES FIGURES

A lot gets said about the costs of buying a home, but what about the costs of selling one? To help you plan your finances, here's an overview of the kinds of expenses home sellers can expect.

- **Repairs and renovations.** If you've kept your home well maintained and made regular updates to its decor, your expenses here will be minimal. Make smart choices about which improvements to make and which to avoid (ask your real estate rep!) and you could recoup most of your expenses.
- **Brokerage Fees:** When you consider that homes sold with the assistance of a professional real estate representative sell for significantly more than those sold by the owner, you'll no doubt agree this is an investment not worth scrimping on.
- **Your mortgage balance.** When you sell, it's time to pay off your remaining principal. Be sure to read your loan conditions (and to choose the right loan in the first place!), as you may be penalized for paying it off early. Which brings us to the next expense...
- **Closing costs.** Mortgage prepayment penalties, document preparation fees, legal fees, taxes, credits to the buyer – closing costs can add up, and vary depending on where you live. Ask your real estate rep to itemize your closing costs for you so you don't get caught unprepared for them.
- **Moving expenses.** You'd be surprised how many sellers forget to budget for this one. Luckily, there are lots of ways to minimize moving costs, from writing them off on your taxes if your move is job related, to hiring movers only for the loading and unloading parts.



LOOKING INWARD

Needs vs. wants lists aren't just for first-time homebuyers. What are you looking for in your next home? To start you thinking about your answers to that question, ask yourself these questions:

- **How have you used your current home, and how would you ideally like to use your future home?** Maybe your current home has also served as your home office, but you've retired and want to do more entertaining. In that case, you'll no longer be looking for a home with office space, but rather one with a big eat-in kitchen.
- **What do you love about your current home?** What do you wish you could change about it? Your home might have the perfect amount of storage space – a feature you definitely want to take with you – but if the poor layout has been a daily inconvenience to you, (your definition of) a good floor plan should be high on your needs list.
- **What do you love about your current neighborhood?** What do you wish you could change about it? A home's location is every bit as important as the home itself. Maybe your kids have really enjoyed the local rec center, but a long commute time has been preventing you from being able to take them there as much as you'd like to.
- **What does your life look like now? What will it look like in five years' time?** 10 years? How long do you plan on staying in your next home? For example, proximity to good schools or health-care facilities might not be important to you now, but as you expand your family or enter retirement, they'll become more of a priority.

GREENER PASTURES

Want a yard that's green in more ways than one? Follow these eco-friendly tips for creating and maintaining an outdoor area that's easier on the environment.

- **Go native.** Reduce – or even eliminate – the need for watering, fertilizing, and pesticides by planting species of trees, shrubs, flowers, vines, and grasses that grow naturally in your region's climate conditions. There are more choices than you think!
- **Go chemical-free.** If you're going to use fertilizers and pesticides, buy natural alternatives or make your own. Turn organic yard and kitchen waste into compost, for example, or mix pesticides using ingredients you likely already have in your kitchen.
- **Go natural.** For your yard's landscaping elements, opt for natural, sustainable materials. Think patios and pathways made of a natural stone, like slate, and decks made of reclaimed wood, bamboo or a composite of wood and post-consumer recycled plastics.
- **Go solar.** Solar energy is renewable energy, and it powers landscape lighting for every application you could want: floodlights, string lights, steak lights, deck lights, or lamp posts. You can even incorporate solar-powered water features into your landscaping.
- **Go old school.** Hand-powered gardening tools like push mowers (which are now much lighter and easier to use), rakes (as opposed to leaf blowers), and pruning saws are not only eco-friendly, they're cheaper and give you a bit of a workout, too!



Terminology Tip

CAPITAL IMPROVEMENT — Capital improvement is an addition or alteration to real property that increases a property's overall value, adapts the property to new uses, or prolongs the useful life of property.

Regular maintenance does not qualify as capital improvement. For example, while putting vinyl siding on the exterior walls of a wooden property is considered a capital improvement, simply painting the outside of that same wooden house is not. Replacing old, leaky windows is another example of capital improvement.

Talk to your real estate representative about the value of capital improvements when determining the selling price of your home.

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