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Rates, Bond Yields Rise Slightly

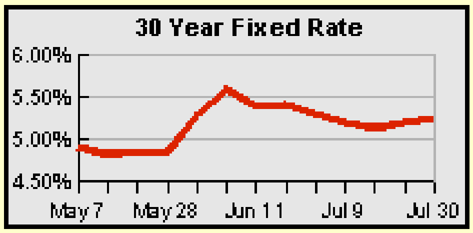
In Freddie Mac's results of its Primary Mortgage Market Survey the 30-year fixed-rate mortgage averaged 5.25 percent for the week ending July 30, 2009, up from the previous week when it averaged 5.20 percent.

Last year at this time, the 30-year fixed-rate mortgage averaged 6.52 percent.

"Bond yields rose slightly higher this past week on market optimism that the economy may be stabilizing somewhat, and mortgage rates followed those yields," said Frank Nothaft, Freddie Mac vice president and chief economist.

Mortgage Rates

Source: Realty Times



U.S. averages as of July 30, 2009:

30 yr. fixed:	**5.25%**
15 yr. fixed:	**4.69%**
1 yr. adj:	**4.80%**

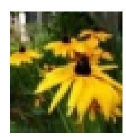
First-Time Buyers: Hurry For $8,000 Tax Credit

It s time to remind first-time home buyers that in order to qualify for the government s $8,000 gift in the form of a tax credit, the deal must close by Dec. 1, 2009.

Buyers should have a purchase contract signed by early October, so they have 45 to 60 days to arrange financing and safely close the deal.

Even if you are not a recent first-time home buyer, it is important that you know about the tax credit availability. It may be the key factor to facilitate the sale of your home. It is an excellent time for a first-time home buyer to buy, with historic low rates, a plentiful supply of homes, lower prices in some markets, and the federal tax credit. Communities benefit from strong levels of home ownership.

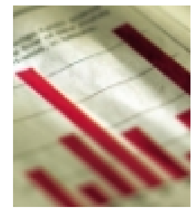
Good Landscaping Draws in Buyers



In this challenging real estate market, curb appeal is particularly important for a home seller. Here are some tips for hiring a good landscaper.

- Review a portfolio. A neighbor's recommendation is a good starting point, but it is also worthwhile to examine other jobs the landscaper has done. Hiring someone who isn't reliable or who uses unhealthy plants is a costly mistake.
- Consider maintenance. Asking for a low-maintenance design will ensure that even if the home owner isn't able to spend hours on the task, the lawn will continue to look good.
- Know what good landscaping is worth. It can't hurt to let a potential buyer know what the value of the trees and shrubs are.

Real Estate Outlook: Positive Growth



There was an important piece of economic news last month that has a huge significance for real estate, housing, and the economy, but got very minimal coverage on TV and in print.

The Conference Board's Index of Leading Economic Indicators, widely acknowledged as the most accurate predictor of future activity and output in the United States economy, rose by almost a point in June.

That was the third straight month of positive growth.

But more importantly, it was the first time since 2004 that the index has increased for three consecutive months.

That's crucial for real estate because housing sales, production and prices are closely tied to movements in the overall economy: jobs, manufacturing, exports, household incomes and the like.

There's no way we're going to see a sizable housing recovery until the economy pulls itself out of recession and starts to grow again.

The index of leading indicators is clearly telling us that that process is well underway -- and that's a very encouraging message.

Federal Reserve Chairman Ben Bernanke, in testimony before Congress last month, pretty much said the same: "A modest recovery is not far off, he said, though it will take a long time to get unemployment levels back down to pre-recession levels."

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Avoiding Closing Derailment

By Dirk Zeller

Like a train, a transaction can get derailed at any point on the track. A closing can be hit by a clouded title, a home not appraising for value, a rapid change in interest rates, an undisclosed credit or income issue, or one of countless other unanticipated issues.

Choke points cause delays and delays cause all kinds of problems for buyers, sellers, and agents. Moving plans get thrown into disarray. Interim housing or early-possession requests become necessary. Contingency plans need to be thrown together. Nerves get jangled. The resulting situation can be a nightmare for everyone involved in the transaction.

Eighty percent of the problems in closing transactions fall into three basic areas. Stay on the lookout for these problems to steer your home buying or selling experience clear of as much trouble as possible:

1. Documentation and verification: Lenders needs to assemble considerable paperwork and complete dozens of documents based on information submitted by the loan applicants. Then they need to verify all information for accuracy by checking the applicant's employment status, funds on deposit, and income level. The document preparation and information verification process takes time. If you fail to submit the required information on a timely basis, or if you turn it in piecemeal and bit-by-bit, delays are certain to result.

2. Repairs, repairs, repairs: This is a chokepoint that good advance planning can avert. Sellers should consider that only lender-required repairs will be done. If you don't, you leave yourself open to the risk that the buyer will come back with a laundry list of items.

A lender-required note usually limits repairs to structural, mechanical, or health and safety issues with not a word about nicks in a walls or non-matching door knobs.

Also consider writing a dollar limit for repairs into the initial contract. The number isn't etched in stone, but it will help keep a lid on the potential amount for which a seller is responsible. The buyers may still refuse to lift the home inspection contingency until additional lender-required issues are dealt with, but the limit will help most sellers.

3. Underwriting of the buyer's loan: This is the stickiest of all closing choke points because the underwriter has complete power to approve the loan, approve the loan with additional conditions, or suspend the file until certain conditions are met, in which case the borrower starts the underwriting process all over again.

Underwriters check to make sure that the loan meets guidelines for debt ratio, loan-to-value ratio, credit score, employment history, and other qualifications. They also evaluate the loan based on whether it can be bundled with others in a big loan package that can be sold to Fannie Mae, Freddie Mac, or another entity that buys mortgages.

Very few lending institutions hold their loans to maturity. Most write loans, realize profits through origination fees, document preparation fees, and margins on basis points, and then sell the loans within 30 to 60 days, recouping the loan amount to sell again as part of the next loan deal.

If the underwriter approves a loan that can't be resold, then the lending institution has to keep the loan in its portfolio. If that situation occurs too often, and too many loans can't be resold, the lending institution runs out of money to loan, driving it out of business.

Of all the choke points in a transaction, the underwriting process can cause the biggest delays. Expect that there will be times when underwriters slow things down with requests for second appraisals or additional documentation of value, especially if the home is in a high price range. Once you clear the hurdle, the documents can be drawn and sent to closing.

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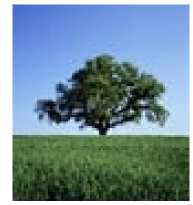
Can Trees Help Sell Your Home?



By Phoebe Chongchua

The population of the U.S. nearly doubled from 1950 to 2000 but with that growth our water demands more than tripled, according to the Environmental Protection Agency. The government predicts that there will be water shortages in 36 states by the year 2013. That's disappointing news to homeowners who love their green lawns and think that they add value to their homes. The good news is that a yard can still look attractive and yet use less water to maintain its beauty.

The American Nursery & Landscape Association (ANLA) released information about a study on the "Impact of Improved Landscape Quality and Tree Cover on the Price of Single-Family Homes" that was published in Horticulture Research Institute Journal of Environmental Horticulture.

The authors, Andrea Stigarll and Emmett Elam write that, "Approximately 30 percent of the increase in sale value was accounted for by added tree cover. The results show that each $1.00 invested in upgrading an average landscape to excellent quality returns $1.35 in added property value." While most homeowners know that landscape is a big draw for buyers, they are unsure of how much and what kinds of landscaping affect the property value.

The study reports that, "General tree cover adds 2 percent to 9 percent to the value of existing homes and 7 percent for new construction on tree-covered lots." Just a single tree can add up to 2 percent to the property value, according to the study. Hedges, walls, landscaped curbs, and dense vegetation can each add 2 percent to 4 percent to the property value. And if your home has more trees than nearby homes, the value shoots up by about 7 percent. Sophisticated designs in landscape affect property value in a very positive way.

The study shows that, "The perceived value of a home may increase by 5 percent to 11 percent with landscape that is sophisticated in design, incorporating large plant size, evergreen and deciduous plants, annual color plants, and colored hardscapes." The study concludes that, "The results show that improvement in landscaping from average to excellent quality increases house sale price by 10.8 percent, with approximately 30 percent of the increase in sale value due to added tree cover." The authors also noted that there are additional perceived benefits to upgrading landscape, "an improved landscape provides a relaxing and enriching quality for the homeowner and the neighborhood." The report also pointed out that the landscaping could help with utility costs, "Moreover, tree cover is important to the homeowner because trees provide shade in summer and shelter in winter, possibly reducing heating and cooling costs. If you're considering adding tree coverage here are a few tips to help you choose what will work best in your landscape.

- Visit a nursery and get expert help. Trees are not temporary so it's important to know which ones will work best in your yard before you spend any money and time planting them.
- Some popular trees are: varieties of apple trees (the fruit is a bonus), dogwood trees (they bloom in spring and are colorful in the fall), Japanese maple trees (they have vibrant colors), and birch trees (they have unusual bark and branch patterns), and pine trees (the needles offer a very different appearance).
- Look for water-efficient trees. Trees can use even less water than the lowest water-use grass.
- Trees planted on the south and west side of homes can help provide shade and cool the home.
- Consult your local water department which can provide lists and tips on water-saving and fire-resistant types of vegetation.

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Moving Made Easy, Keep It Simple

By Tim Johnson

The moving industry is complicated. It uses a lot of lingo that most consumers don't understand: You get your estimates as "binding" or "non-binding"; movers use a "tariff" to determine rates; when the mover ships your goods, you receive a "bill of lading."

And when you go to check out your mover, you run into a mass of regulations. If you're moving within your state, your state government regulates your move; if you're moving across the country, the Federal Motor Carrier Safety Administration does. Finding (and understanding) information about your mover on either of these agencies' Web sites can be hard, too.

It's understandable, then, that most people don't put in this kind of gumshoe work. However, there are three basic moving pitfalls that, if avoided, can help save you from a lousy experience with poor moving companies.

1. Not getting an in-home estimate.

The moving company needs to see exactly what they need to move. If they don't, it's near impossible to derive accurate moving quotes for your move.

Have them come to your home to see exactly what you need moved; otherwise, you could be in for a nasty surprise on moving day if they claim you have more belongings than you indicated on your inventory.

Don't give an inventory over the phone or complete one online. You will have a hard time putting together an accurate inventory on your own, and it also gives unscrupulous moving companies the opportunity to claim that your inventory was incorrect and void the estimate on moving day, no less.

While on the subject of unscrupulous moving companies, one easy way to decrease your chances of hiring one is to start your search using a database of pre-screened, pre-qualified movers. Check out Web sites such as MovingQuotes.com, which matches consumers with pre-screened, competent movers.

2. Not choosing a mover with a local presence.

There are many reasons for this. First, it's a good idea to visit the moving company offices to ensure they're a legitimate mover and not just a broker that's going to give your move to someone else.

Second, it will put your mind at ease to see the moving company's facilities, its names on the trucks, etcetera.

Third, logistically, it's just easier. If you're moving from Texas to Seattle, how can a moving company in Ohio do your move? Will that moving company *really* be handling your move?

Finally, if you must follow up with the moving company for a damage claim or something else after the move, having them nearby makes that process much easier.

3. Going with a low-ball bid.

Beware of an offer that sounds too good to be true. You will almost certainly pay for it in some other way.

True, some companies might offer a lower price, but make sure it's a reasonable discount. First, you should get at least three moving quotes for your move. If two of the movers are priced around the same level, and the third comes in with a price that's 30 percent less, you need to be skeptical.

All moving companies face the same costs, so if someone is telling you they can do your move for a lot less, it's probably because they will make up the difference by larding on a bunch of ridiculous charges later, such as excess packing charges, or claims that you added stuff to be moved after you got your estimate.

Packing up and moving whether across town or across the country is always a nerve-racking experience. The thought of dealing with a potentially disreputable moving company adds another layer of unnecessary complexity. By avoiding these three common mistakes, you will increase your chances of having an easier, less stressful moving experience, and move on to enjoying your new home.

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Home Hunting Without Fear

By Broderick Perkins

As any daredevil, extreme sports addict or adrenaline junkie knows, well-grounded preparation for the specific task at hand is what takes the fear out of trying. The sometimes risky sport of home buying is no different.

Those who've suffered the agony of defeat in what's likely the most dangerous consumer game, learned the hard way that sheer fearlessness isn't enough to become and remain a homeowner -- through good times and bad.

With the rules of the housing game changed forever, preparing to just squeak by the home buying ordeal isn't enough to achieve a decisive and lasting victory.

The idea isn't just to buy a home. The goal is to keep your own roof over your head. Preparation is key, according to the National Association of Realtors (NAR). From NAR, here's how to get ready to be and remain a homeowner.

- Create a wish list. Write down housing wants and needs. Include all the physical characteristics you want or need. Include style, size, layout and room configuration. Look at the number of bedrooms and bathrooms, and the basic amenities you must have. Include critical features such as location and services and a home's proximity to good schools or public transportation lines.
- Browse for housing. Realtor.com and other Web sites offer home valuation features and neighborhood data on trends in local markets. Use features to determine how a listing compares with nearby, comparable properties in terms of value, actual sales prices, home features, neighborhood characteristics, and more.
- Work with an expert. Finding a professional real estate agent who will represent your best interests can make the difference in location, negotiating the best offer, and closing the home of your dreams. Look for a full time real estate agent, who has uploaded telling photos and videos of their listings and look for agents with good Web sites to market your listing.
- Get the complete picture before you visit. You can't know everything about a community from an online listing. Schools, crime, and proximity to shopping and work all impact property values. NAR says talk to a Realtor and go to Realtor.com to explore communities.
- Make sure the property details are reliable. Buyers need know when a listing has experienced a price change. Look for Web sites like Realtor.com that updates listings frequently, including price changes. Fresh and reliable information is critical. Realtor.com time stamps listings to help buyers make better informed decisions. Get email alerts and stay on top of changes so you can be first to act.

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Seven Steps To A Credit Score Makeover

By Broderick Perkins

You can mitigate the effect of tighter mortgage underwriting standards by improving your credit report profile and, as a result, your credit score. Just don't expect that your knee-jerk reaction to tighter money will generate overnight success. Chances are, you didn't get all those credit report blemishes during a single credit buying binge. And, if you are like many consumers, you don't even know what you are up against.

BankRate.com recently found that 32 percent of Americans surveyed never check their credit reports and have no idea what shape it's in. It's time to find out and do something about it. Your credit report is a sort of fiscal fitness report on your credit habits and the information it contains factors heavily into your credit score, a statistical analysis or numerical value placed on your credit behavior.

Your credit score is commonly used to nay or yea your requests for credit and determine how much you'll pay for credit approved.

Here are seven starter steps to take toward improving your creditworthiness.

- Get your credit report and look for errors. These days getting a credit report should be the no-brainer first step toward improving your chances of landing credit at the best price possible. Simply go online to AnnualCreditReport.com, the ONLY federally-sanctioned and cost-free service, and obtain a free credit report from Equifax, Experian and TransUnion. Given the year is more than half over, get your report from at least two companies, perhaps three. Next year set up your own credit monitoring service by getting a report from a different company every four months. Again, through AnnualCreditReport.com, each report is free. Questions? Call (877) 322-8228 for details about your free credit report rights.

- Check credit limits and attempt to keep balances evenly distributed across credit lines, advises attorney Edward Jamison, with the Los Angeles, CA Jamison Law Group he founded to specialize in consumer credit and identity theft.

- Make sure your maximum credit limit is reported for each account. "When no limit is reported, credit scoring software presumes the account is 'maxed out'." Jamison says credit scoring software scores more favorably when the balance is 50 percent or below, but too many open accounts with zero balances could lower the score with the assumption you could suddenly run up a lot of credit.

- Keep some credit cards open. Close others. Open credit cards with limited balances and good payment records raises scores, especially long-time credit cards. However, the accounts should be limited in number and well-managed.

"Closing credit card accounts can hurt your score unless the accounts were opened less than two years ago, and you have more six credit cards," says Jamison. It's about striking a balance.

"Credit scoring software assumes that people who have had credit for a longer time are at less risk of defaulting on payments," Jamison said.

- Where possible, get rid of late payments listed on the credit report. Jamison says if your late payments are dated and you've been a good credit customers for some time creditors may, in good faith, adjust your statement. "If you are a customer in good standing, the creditor may work with you," he said. The effort isn't easy. A demanding, frustrated and rude approach will make it more difficult. The lender isn't required to remove dings for 7 to 10 years in some cases.

- Pay off collection accounts and past due amounts. Payoffs and paying past due accounts start the clock running on how long the ding will remain on your report. In some cases the collection agency or creditor may remove the ding, says Jamison. Again, it's not easy.

"The consumer should contact the collector and request a letter explicitly stating their agreement to delete the account upon receipt or clearance of the payment," he said.

- Likewise, whenever possible, seek to have charge-offs and liens that are less than two years old removed. "Charge-offs and liens that are older than 24 months do not affect your credit score nearly as much as ones under 24 months," says Jamison. "But if they're newer than 24 months, they can seriously damage your credit," revealing you as a more recent credit slacker.

Keep in mind, all efforts to improve your credit, other than correcting errors, are typically based on you being a mature credit consumer -- pay your bills on time, don't overload yourself with debt and get in touch with lenders at the first sign of trouble for workouts than can help save your credit or reduce the damage to your report and your credit score.

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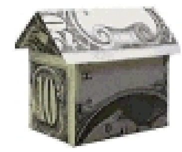
Making Homes Even More Affordable



By Broderick Perkins

More homeowners suffering mortgages larger than the value of their home can now trade in their mortgage for a more affordable home loan, under a broader Making Home Affordable refinance provision.

Borrowers current on payments with Fannie Mae or Freddie Mac guaranteed loans could be eligible for refinancing into new loans even if they owe as much as 125 percent of the home's current value.

Previously, the Home Affordable Refinance Program's loan-to-value limit was 105 percent.

It's the latest Obama Administration effort to help more homeowners refinance their mortgage at a lower rate and reduce their monthly payments. A refinance can help owners buck up and keep homes that are worth less than they owe.

Also, if the existing mortgage was written without mortgage insurance, the new loan won't be burdened with the extra cost.

Fannie Mae and Freddie Mac loans typically require mortgage insurance when the loan is more than 80 percent of the home's value.

Of course, if the current mortgage has mortgage insurance and the new loan is 80 percent or more of the home's value, mortgage insurance comes with the deal.

As usual, high-coast areas including many in California, New England, New York and most resort and second home areas won't see much relief. Until the Fannie Mae Freddie Mac conforming loan limit was raised in high-priced areas last year, high-cost area homes were too expensive to be purchased under Fannie and Freddie guidelines.

The new 125 percent limit also may not apply if a second mortgage combined with the first exceeds the limit. The new deal also doesn't allow homeowners to take cash out.

The higher loan-to-value ratios are available now to qualified borrowers who apply through their existing servicer. After Oct. 1 a homeowner can shop around and refinance through any Fannie or Freddie lender.

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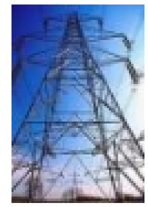
Investor Report: Energy Efficiency

By Kenneth R. Harney



For real estate investors buying houses at discount prices, it could be a hot new trend. Instead of simply doing the usual renovations, paint jobs and landscaping to turn around properties for resale or rental, growing numbers of investors are emphasizing energy efficiency improvements to increase market values and cut marketing times.

In Baltimore, A-Plus Neighborhood Homebuyers LLC is now acquiring central city rowhouses -- spending thousands of dollars extra on eco-friendly upgrades they'd never done before - - extra heavy insulation, bamboo flooring and high energy-efficient appliances and lighting.

Three thousand miles to the west in Seattle, Aaron Fairchild of G2B Ventures is raising $50 million for the Efficient Real Estate Fund, the first limited partnership designed solely to buy urban houses at wholesale prices, perform major energy-efficiency retrofits on top of regular rehabs, then turn the properties around as rentals and for-sale houses.

In an interview with RealtyTimes, Fairchild said energy upgrades, documented by before and after audits, are a key new direction for investors, "even if it sounds like non-sexy stuff."

Research studies have found that houses with high energy-efficiency ratings sell at premiums ranging anywhere from seven to 14 percent over comparable, non-efficient houses, and take fewer days on the market to sell.

He cited a recent study on Seattle-area single family houses constructed in 2007 or later and certified as "built green," Energy Star and LEED, a top energy efficiency rating. "Green" certified properties of essentially the same size as non-certified units sold for seven and a half percent more per square foot and sold 24 percent faster - an average of 38 days versus fifty.

"It seems fairly obvious that if we spend two and a half percent extra" on renovations to achieve high energy efficiency," said Fairchild, "that we will recapture much more than that" when the houses are remarketed.

"When you can show people that the house consumes less energy" and emits much lower levels of greenhouse gases -- and you've got pre-renovation and post-renovation audits and operating numbers to prove it, "it only makes sense the property will have a competitive advantage in the marketplace." Fairchild's program is targeting houses in Seattle that can be acquired for 25 percent below current market value, primarily through short sales, bank-owned and pocket listing situations.

The renovations are intended to drastically lower energy usage and carbon emissions, and offer Energy Performance Scores from independent auditors.

Fairchild believes small and large-scale investors who ignore energy consumption and carbon emissions "are missing an important opportunity," not only for profit, but to do the right thing for the planet.

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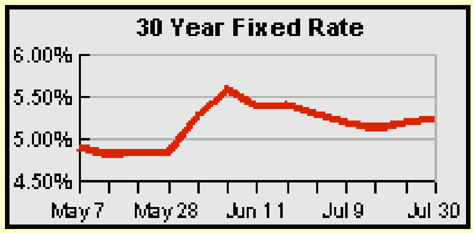
Source: Realty Times



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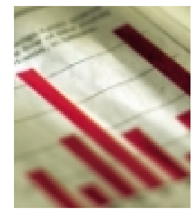
- Review a portfolio. A neighbor's recommendation is a good starting point, but it is also worthwhile to examine other jobs the landscaper has done. Hiring someone who isn't reliable or who uses unhealthy plants is a costly mistake.
- Consider maintenance. Asking for a low-maintenance design will ensure that even if the home owner isn't able to spend hours on the task, the lawn will continue to look good.
- Know what good landscaping is worth. It can't hurt to let a potential buyer know what the value of the trees and shrubs are.

Real Estate Outlook: Positive Growth



There was an important piece of economic news last month that has a huge significance for real estate, housing, and the economy, but got very minimal coverage on TV and in print.

The Conference Board's Index of Leading Economic Indicators, widely acknowledged as the most accurate predictor of future activity and output in the United States economy, rose by almost a point in June.

That was the third straight month of positive growth.

But more importantly, it was the first time since 2004 that the index has increased for three consecutive months.

That's crucial for real estate because housing sales, production and prices are closely tied to movements in the overall economy: jobs, manufacturing, exports, household incomes and the like.

There's no way we're going to see a sizable housing recovery until the economy pulls itself out of recession and starts to grow again.

The index of leading indicators is clearly telling us that that process is well underway -- and that's a very encouraging message.

Federal Reserve Chairman Ben Bernanke, in testimony before Congress last month, pretty much said the same: "A modest recovery is not far off, he said, though it will take a long time to get unemployment levels back down to pre-recession levels."

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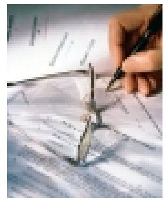
Avoiding Closing Derailment

By Dirk Zeller



Like a train, a transaction can get derailed at any point on the track. A closing can be hit by a clouded title, a home not appraising for value, a rapid change in interest rates, an undisclosed credit or income issue, or one of countless other unanticipated issues.

Choke points cause delays and delays cause all kinds of problems for buyers, sellers, and agents. Moving plans get thrown into disarray. Interim housing or early-possession requests become necessary. Contingency plans need to be thrown together. Nerves get jangled. The resulting situation can be a nightmare for everyone involved in the transaction.

Eighty percent of the problems in closing transactions fall into three basic areas. Stay on the lookout for these problems to steer your home buying or selling experience clear of as much trouble as possible:

1. Documentation and verification: Lenders needs to assemble considerable paperwork and complete dozens of documents based on information submitted by the loan applicants. Then they need to verify all information for accuracy by checking the applicant's employment status, funds on deposit, and income level. The document preparation and information verification process takes time. If you fail to submit the required information on a timely basis, or if you turn it in piecemeal and bit-by-bit, delays are certain to result.

2. Repairs, repairs, repairs: This is a chokepoint that good advance planning can avert. Sellers should consider that only lender-required repairs will be done. If you don't, you leave yourself open to the risk that the buyer will come back with a laundry list of items.

A lender-required note usually limits repairs to structural, mechanical, or health and safety issues with not a word about nicks in a walls or non-matching door knobs.

Also consider writing a dollar limit for repairs into the initial contract. The number isn't etched in stone, but it will help keep a lid on the potential amount for which a seller is responsible. The buyers may still refuse to lift the home inspection contingency until additional lender-required issues are dealt with, but the limit will help most sellers.

3. Underwriting of the buyer's loan: This is the stickiest of all closing choke points because the underwriter has complete power to approve the loan, approve the loan with additional conditions, or suspend the file until certain conditions are met, in which case the borrower starts the underwriting process all over again.

Underwriters check to make sure that the loan meets guidelines for debt ratio, loan-to-value ratio, credit score, employment history, and other qualifications. They also evaluate the loan based on whether it can be bundled with others in a big loan package that can be sold to Fannie Mae, Freddie Mac, or another entity that buys mortgages.

Very few lending institutions hold their loans to maturity. Most write loans, realize profits through origination fees, document preparation fees, and margins on basis points, and then sell the loans within 30 to 60 days, recouping the loan amount to sell again as part of the next loan deal.

If the underwriter approves a loan that can't be resold, then the lending institution has to keep the loan in its portfolio. If that situation occurs too often, and too many loans can't be resold, the lending institution runs out of money to loan, driving it out of business.

Of all the choke points in a transaction, the underwriting process can cause the biggest delays. Expect that there will be times when underwriters slow things down with requests for second appraisals or additional documentation of value, especially if the home is in a high price range. Once you clear the hurdle, the documents can be drawn and sent to closing.

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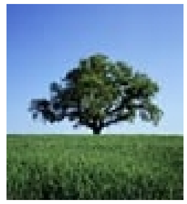
Can Trees Help Sell Your Home?

By Phoebe Chongchua



The population of the U.S. nearly doubled from 1950 to 2000 but with that growth our water demands more than tripled, according to the Environmental Protection Agency. The government predicts that there will be water shortages in 36 states by the year 2013. That's disappointing news to homeowners who love their green lawns and think that they add value to their homes. The good news is that a yard can still look attractive and yet use less water to maintain its beauty.

The American Nursery & Landscape Association (ANLA) released information about a study on the "Impact of Improved Landscape Quality and Tree Cover on the Price of Single-Family Homes" that was published in Horticulture Research Institute Journal of Environmental Horticulture.

The authors, Andrea Stigarll and Emmett Elam write that, "Approximately 30 percent of the increase in sale value was accounted for by added tree cover. The results show that each $1.00 invested in upgrading an average landscape to excellent quality returns $1.35 in added property value." While most homeowners know that landscape is a big draw for buyers, they are unsure of how much and what kinds of landscaping affect the property value.

The study reports that, "General tree cover adds 2 percent to 9 percent to the value of existing homes and 7 percent for new construction on tree-covered lots." Just a single tree can add up to 2 percent to the property value, according to the study. Hedges, walls, landscaped curbs, and dense vegetation can each add 2 percent to 4 percent to the property value. And if your home has more trees than nearby homes, the value shoots up by about 7 percent. Sophisticated designs in landscape affect property value in a very positive way.

The study shows that, "The perceived value of a home may increase by 5 percent to 11 percent with landscape that is sophisticated in design, incorporating large plant size, evergreen and deciduous plants, annual color plants, and colored hardscapes." The study concludes that, "The results show that improvement in landscaping from average to excellent quality increases house sale price by 10.8 percent, with approximately 30 percent of the increase in sale value due to added tree cover." The authors also noted that there are additional perceived benefits to upgrading landscape, "an improved landscape provides a relaxing and enriching quality for the homeowner and the neighborhood." The report also pointed out that the landscaping could help with utility costs, "Moreover, tree cover is important to the homeowner because trees provide shade in summer and shelter in winter, possibly reducing heating and cooling costs. If you're considering adding tree coverage here are a few tips to help you choose what will work best in your landscape.

- Visit a nursery and get expert help. Trees are not temporary so it's important to know which ones will work best in your yard before you spend any money and time planting them.
- Some popular trees are: varieties of apple trees (the fruit is a bonus), dogwood trees (they bloom in spring and are colorful in the fall), Japanese maple trees (they have vibrant colors), and birch trees (they have unusual bark and branch patterns), and pine trees (the needles offer a very different appearance).
- Look for water-efficient trees. Trees can use even less water than the lowest water-use grass.
- Trees planted on the south and west side of homes can help provide shade and cool the home.
- Consult your local water department which can provide lists and tips on water-saving and fire-resistant types of vegetation.

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Moving Made Easy, Keep It Simple

By Tim Johnson

The moving industry is complicated. It uses a lot of lingo that most consumers don't understand: You get your estimates as "binding" or "non-binding"; movers use a "tariff" to determine rates; when the mover ships your goods, you receive a "bill of lading."

And when you go to check out your mover, you run into a mass of regulations. If you're moving within your state, your state government regulates your move; if you're moving across the country, the Federal Motor Carrier Safety Administration does. Finding (and understanding) information about your mover on either of these agencies' Web sites can be hard, too.

It's understandable, then, that most people don't put in this kind of gumshoe work. However, there are three basic moving pitfalls that, if avoided, can help save you from a lousy experience with poor moving companies.

1. Not getting an in-home estimate.

The moving company needs to see exactly what they need to move. If they don't, it's near impossible to derive accurate moving quotes for your move.

Have them come to your home to see exactly what you need moved; otherwise, you could be in for a nasty surprise on moving day if they claim you have more belongings than you indicated on your inventory.

Don't give an inventory over the phone or complete one online. You will have a hard time putting together an accurate inventory on your own, and it also gives unscrupulous moving companies the opportunity to claim that your inventory was incorrect and void the estimate on moving day, no less.

While on the subject of unscrupulous moving companies, one easy way to decrease your chances of hiring one is to start your search using a database of pre-screened, pre-qualified movers. Check out Web sites such as MovingQuotes.com, which matches consumers with pre-screened, competent movers.

2. Not choosing a mover with a local presence.

There are many reasons for this. First, it's a good idea to visit the moving company offices to ensure they're a legitimate mover and not just a broker that's going to give your move to someone else.

Second, it will put your mind at ease to see the moving company's facilities, its names on the trucks, etcetera.

Third, logistically, it's just easier. If you're moving from Texas to Seattle, how can a moving company in Ohio do your move? Will that moving company *really* be handling your move?

Finally, if you must follow up with the moving company for a damage claim or something else after the move, having them nearby makes that process much easier.

3. Going with a low-ball bid.

Beware of an offer that sounds too good to be true. You will almost certainly pay for it in some other way.

True, some companies might offer a lower price, but make sure it's a reasonable discount. First, you should get at least three moving quotes for your move. If two of the movers are priced around the same level, and the third comes in with a price that's 30 percent less, you need to be skeptical.

All moving companies face the same costs, so if someone is telling you they can do your move for a lot less, it's probably because they will make up the difference by larding on a bunch of ridiculous charges later, such as excess packing charges, or claims that you added stuff to be moved after you got your estimate.

Packing up and moving whether across town or across the country is always a nerve-racking experience. The thought of dealing with a potentially disreputable moving company adds another layer of unnecessary complexity. By avoiding these three common mistakes, you will increase your chances of having an easier, less stressful moving experience, and move on to enjoying your new home.

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Home Hunting Without Fear

By Broderick Perkins

As any daredevil, extreme sports addict or adrenaline junkie knows, well-grounded preparation for the specific task at hand is what takes the fear out of trying. The sometimes risky sport of home buying is no different.

Those who've suffered the agony of defeat in what's likely the most dangerous consumer game, learned the hard way that sheer fearlessness isn't enough to become and remain a homeowner -- through good times and bad.

With the rules of the housing game changed forever, preparing to just squeak by the home buying ordeal isn't enough to achieve a decisive and lasting victory.

The idea isn't just to buy a home. The goal is to keep your own roof over your head. Preparation is key, according to the National Association of Realtors (NAR). From NAR, here's how to get ready to be and remain a homeowner.

- Create a wish list. Write down housing wants and needs. Include all the physical characteristics you want or need. Include style, size, layout and room configuration. Look at the number of bedrooms and bathrooms, and the basic amenities you must have. Include critical features such as location and services and a home's proximity to good schools or public transportation lines.
- Browse for housing. Realtor.com and other Web sites offer home valuation features and neighborhood data on trends in local markets. Use features to determine how a listing compares with nearby, comparable properties in terms of value, actual sales prices, home features, neighborhood characteristics, and more.
- Work with an expert. Finding a professional real estate agent who will represent your best interests can make the difference in location, negotiating the best offer, and closing the home of your dreams. Look for a full time real estate agent, who has uploaded telling photos and videos of their listings and look for agents with good Web sites to market your listing.
- Get the complete picture before you visit. You can't know everything about a community from an online listing. Schools, crime, and proximity to shopping and work all impact property values. NAR says talk to a Realtor and go to Realtor.com to explore communities.
- Make sure the property details are reliable. Buyers need know when a listing has experienced a price change. Look for Web sites like Realtor.com that updates listings frequently, including price changes. Fresh and reliable information is critical. Realtor.com time stamps listings to help buyers make better informed decisions. Get email alerts and stay on top of changes so you can be first to act.

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Seven Steps To A Credit Score Makeover

By Broderick Perkins

You can mitigate the effect of tighter mortgage underwriting standards by improving your credit report profile and, as a result, your credit score. Just don't expect that your knee-jerk reaction to tighter money will generate overnight success. Chances are, you didn't get all those credit report blemishes during a single credit buying binge. And, if you are like many consumers, you don't even know what you are up against.

BankRate.com recently found that 32 percent of Americans surveyed never check their credit reports and have no idea what shape it's in. It's time to find out and do something about it. Your credit report is a sort of fiscal fitness report on your credit habits and the information it contains factors heavily into your credit score, a statistical analysis or numerical value placed on your credit behavior.

Your credit score is commonly used to nay or yea your requests for credit and determine how much you'll pay for credit approved.

Here are seven starter steps to take toward improving your creditworthiness.

- Get your credit report and look for errors. These days getting a credit report should be the no-brainer first step toward improving your chances of landing credit at the best price possible. Simply go online to AnnualCreditReport.com, the ONLY federally-sanctioned and cost-free service, and obtain a free credit report from Equifax, Experian and TransUnion. Given the year is more than half over, get your report from at least two companies, perhaps three. Next year set up your own credit monitoring service by getting a report from a different company every four months. Again, through AnnualCreditReport.com, each report is free. Questions? Call (877) 322-8228 for details about your free credit report rights.

- Check credit limits and attempt to keep balances evenly distributed across credit lines, advises attorney Edward Jamison, with the Los Angeles, CA Jamison Law Group he founded to specialize in consumer credit and identity theft.

- Make sure your maximum credit limit is reported for each account. "When no limit is reported, credit scoring software presumes the account is 'maxed out'." Jamison says credit scoring software scores more favorably when the balance is 50 percent or below, but too many open accounts with zero balances could lower the score with the assumption you could suddenly run up a lot of credit.

- Keep some credit cards open. Close others. Open credit cards with limited balances and good payment records raises scores, especially long-time credit cards. However, the accounts should be limited in number and well-managed.

"Closing credit card accounts can hurt your score unless the accounts were opened less than two years ago, and you have more six credit cards," says Jamison. It's about striking a balance.

"Credit scoring software assumes that people who have had credit for a longer time are at less risk of defaulting on payments," Jamison said.

- Where possible, get rid of late payments listed on the credit report. Jamison says if your late payments are dated and you've been a good credit customers for some time creditors may, in good faith, adjust your statement. "If you are a customer in good standing, the creditor may work with you," he said. The effort isn't easy. A demanding, frustrated and rude approach will make it more difficult. The lender isn't required to remove dings for 7 to 10 years in some cases.

- Pay off collection accounts and past due amounts. Payoffs and paying past due accounts start the clock running on how long the ding will remain on your report. In some cases the collection agency or creditor may remove the ding, says Jamison. Again, it's not easy.

"The consumer should contact the collector and request a letter explicitly stating their agreement to delete the account upon receipt or clearance of the payment," he said.

- Likewise, whenever possible, seek to have charge-offs and liens that are less than two years old removed. "Charge-offs and liens that are older than 24 months do not affect your credit score nearly as much as ones under 24 months," says Jamison. "But if they're newer than 24 months, they can seriously damage your credit," revealing you as a more recent credit slacker.

Keep in mind, all efforts to improve your credit, other than correcting errors, are typically based on you being a mature credit consumer -- pay your bills on time, don't overload yourself with debt and get in touch with lenders at the first sign of trouble for workouts than can help save your credit or reduce the damage to your report and your credit score.

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Making Homes Even More Affordable

By Broderick Perkins

More homeowners suffering mortgages larger than the value of their home can now trade in their mortgage for a more affordable home loan, under a broader Making Home Affordable refinance provision.

Borrowers current on payments with Fannie Mae or Freddie Mac guaranteed loans could be eligible for refinancing into new loans even if they owe as much as 125 percent of the home's current value.

Previously, the Home Affordable Refinance Program's loan-to-value limit was 105 percent.

It's the latest Obama Administration effort to help more homeowners refinance their mortgage at a lower rate and reduce their monthly payments. A refinance can help owners buck up and keep homes that are worth less than they owe.

Also, if the existing mortgage was written without mortgage insurance, the new loan won't be burdened with the extra cost.

Fannie Mae and Freddie Mac loans typically require mortgage insurance when the loan is more than 80 percent of the home's value.

Of course, if the current mortgage has mortgage insurance and the new loan is 80 percent or more of the home's value, mortgage insurance comes with the deal.

As usual, high-coast areas including many in California, New England, New York and most resort and second home areas won't see much relief. Until the Fannie Mae Freddie Mac conforming loan limit was raised in high-priced areas last year, high-cost area homes were too expensive to be purchased under Fannie and Freddie guidelines.

The new 125 percent limit also may not apply if a second mortgage combined with the first exceeds the limit. The new deal also doesn't allow homeowners to take cash out.

The higher loan-to-value ratios are available now to qualified borrowers who apply through their existing servicer. After Oct. 1 a homeowner can shop around and refinance through any Fannie or Freddie lender.

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Investor Report: Energy Efficiency

By Kenneth R. Harney

For real estate investors buying houses at discount prices, it could be a hot new trend. Instead of simply doing the usual renovations, paint jobs and landscaping to turn around properties for resale or rental, growing numbers of investors are emphasizing energy efficiency improvements to increase market values and cut marketing times.

In Baltimore, A-Plus Neighborhood Homebuyers LLC is now acquiring central city rowhouses -- spending thousands of dollars extra on eco-friendly upgrades they'd never done before - - extra heavy insulation, bamboo flooring and high energy-efficient appliances and lighting.

Three thousand miles to the west in Seattle, Aaron Fairchild of G2B Ventures is raising $50 million for the Efficient Real Estate Fund, the first limited partnership designed solely to buy urban houses at wholesale prices, perform major energy-efficiency retrofits on top of regular rehabs, then turn the properties around as rentals and for-sale houses.

In an interview with RealtyTimes, Fairchild said energy upgrades, documented by before and after audits, are a key new direction for investors, "even if it sounds like non-sexy stuff."

Research studies have found that houses with high energy-efficiency ratings sell at premiums ranging anywhere from seven to 14 percent over comparable, non-efficient houses, and take fewer days on the market to sell.

He cited a recent study on Seattle-area single family houses constructed in 2007 or later and certified as "built green," Energy Star and LEED, a top energy efficiency rating. "Green" certified properties of essentially the same size as non-certified units sold for seven and a half percent more per square foot and sold 24 percent faster - an average of 38 days versus fifty.

"It seems fairly obvious that if we spend two and a half percent extra" on renovations to achieve high energy efficiency," said Fairchild, "that we will recapture much more than that" when the houses are remarketed.

"When you can show people that the house consumes less energy" and emits much lower levels of greenhouse gases -- and you've got pre-renovation and post-renovation audits and operating numbers to prove it, "it only makes sense the property will have a competitive advantage in the marketplace." Fairchild's program is targeting houses in Seattle that can be acquired for 25 percent below current market value, primarily through short sales, bank-owned and pocket listing situations.

The renovations are intended to drastically lower energy usage and carbon emissions, and offer Energy Performance Scores from independent auditors.

Fairchild believes small and large-scale investors who ignore energy consumption and carbon emissions "are missing an important opportunity," not only for profit, but to do the right thing for the planet.

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