

# Avoid Mistakes That Can Hurt Home Resale

By Gary Washburn, President, and David Walker  
Southland Regional Association of Realtors®

Before investing in a major remodel, decide where the house fits compared to other homes in the neighborhood.



Realtor® Gary Washburn, 2018 SRAR President

“Projects that take a home significantly beyond community norms are often not worth the cost when the owner sells the home,” said Scott Robinson, president of the Appraisal Institute. “If the improvements don’t match what’s standard in a community, they’ll be considered excessive.”

And, some renovation mistakes could inadvertently lower a home’s

resale value. For example:

- **Fix minor damage!** To better protect an investment, touch up chipped paint, repair leaky faucets, and remove carpet stains before list-

**realtor.com**®

ing a home for sale. The house has to look better on the day of the open house than it has ever looked before.

- **Remove trees that pose safety hazards.** Though trees can be a major selling point, they need to be well-maintained and planted in the right spot in order to boost the value of a home. Trees planted too close to a house could pose a fire hazard, or

a tree’s root system could damage a home’s foundation. A tree planted in the right location could be aesthetically pleasing ... and also potentially lower energy bills.

- **Weigh garage conversions carefully.** A quarter of Americans say their garage is too cluttered to fit their car inside. So some homeowners may decide to convert the garage into a bedroom or den—but that could be a big mistake at resale. While it may earn extra square footage, these spaces tend to be poorly insulated. Also, buyers may prefer the covered parking space instead.

*The Southland Regional Association of Realtors® is a local trade association with more than 10,300 members serving the San Fernando and Santa Clarita Valley.*



**SOUTHLAND REGIONAL ASSOCIATION OF REALTORS®, INC.**

## 2018 Charity Golf Classic

The Southland Regional Association of Realtors’ Charity Golf Tournament returns on Monday, May 17.

The tournament is one of the Association’s most popular events. It also is the largest fundraiser for the SRAR Charitable Foundation, a 501(c)3 non-profit organization.

This year’s tournament will be held at the Woodland Hills Country Club. There are multiple sponsorship opportunities still available for the tournament. All sponsorship’s are 100 percent tax-deductible.

To find out how to sponsor the Charity Golf Tournament, contact Michelle Gerhard-Hernandez via email at michelleg@srar.com. Go to [www.SRAR.com](http://www.SRAR.com) to learn about available sponsor levels and how to register to play in the tournament.



### ACE Sponsor

- CRMLS

### EAGLE Sponsors

- Shane, DiGiuseppe & Rodgers, LLP
- US Bank Home Mortgage

### BIRDIE Sponsors

- Keller Williams Realty

### HOLE Sponsors

- The Box Pro
- Spile, Leff & Goor, LLP
- Mel Wilson & Associates

### Lunch & Photo Sponsor

Loans by Lela

## Income-to-Loan Guide



**The 341 single-family homes in the San Fernando Valley that changed owners in January** had a median price of \$620,000, which means half were more expensive and half sold for less. The Southland Regional Association of Realtors’ “Income-to-Loan Guide” found that a minimum income of \$131,520 was needed to buy a median-priced home. That was based on obtaining a loan of \$496,000, which was 80 percent of the median price, at the national average interest rate of 4.27 percent. That yielded a monthly mortgage payment of \$2,446. Add monthly property tax payments and the cost of insurance and the buyer had a monthly PITI — principal, interest, taxes and insurance — payment of \$3,288.

**Buying a local condominium in January required less income.** A minimum income of \$87,503 was needed to purchase the median-priced condo of \$412,500 in January. That means half the buyers purchased a condominium for less while half purchased a more expensive condo. The minimum income was premised on obtaining a \$330,000 loan — 80 percent of the \$412,500 median price — at the national average interest rate of 4.27 percent. That yielded a \$1,627 monthly mortgage payment. Monthly property taxes would come to \$430 while insurance would cost about \$131 per month. Those numbers add up to a monthly PITI housing cost of \$2,188.

## Only Nine Homebuyer Grants Remain; Deadline Approaching

Only nine grants of \$2,500 each remain to be awarded to qualifying first-time homebuyers who are recent college graduates.

The grants, which do not need to be repaid, are part of the Southland Regional Association of Realtors’ Charitable Foundation’s 2018 Homebuyer Grant Program.

They are offered in partnership with the California Association of Realtors’ Housing Affordability Fund. The application deadline is July 1.

Each grant can be used to defray closing costs in the purchase of a home using the services of a member of the Southland Regional Association of Realtors. SRAR and C.A.R. offer grants to qualified prospective homebuyers who meet specific qualifications.

Yoonjung Shin, pictured with her Realtor, Robert Johnson, used the \$2,500 grant to defray the closing costs of a home she purchased in Woodland Hills.

Apply now for one of the nine grants still available in this year’s program. For an application form, details on how to apply, and eligibility rules, go to [www.srar.com/grants](http://www.srar.com/grants). Grants are awarded on a first-come, first-serve basis.



# THE VOICE FOR REAL ESTATE IN THE SAN FERNANDO AND SANTA CLARITA VALLEYS

[www.SRAR.com](http://www.SRAR.com) | Real Estate Questions? E-mail Gary Washburn, SRAR 2018 President, c/o DavidW@SRAR.com

REALTOR® is a federally registered collective membership mark which identifies a real estate professional who is a Member of the NATIONAL ASSOCIATION OF REALTORS® and subscribes to its strict Code of Ethics.