

Your REALTOR:



Dennis Kutny

October 2019

REAL ESTATE Update



"An educated prospect makes our best client"

New Program Makes It Possible to Rent Tesla Solar Panels



Tesla is offering solar panel rentals as part of their new test program, giving homeowners a

newly affordable opportunity to add Tesla solar power to their home.

How it works

Installation is free and homeowners can start the process with a small deposit—as low as \$50, which covers the first month of service. The monthly cost is fixed, and includes the panels themselves, hardware, and ongoing support and maintenance.

The system comes in three sizes: a small 3.8kW system that generates 10-14kWh of energy per day, a medium 7.6kW system that generates 19-28kWh per day, and a large 11.4kW system that generates 29-41kWh per day. According to the Energy Information Administration, the average US household used about 28kWh of electricity per day in 2017.

Is there a downside?

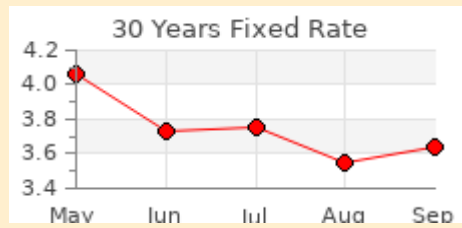
A couple potential negatives include a \$1,500 fee should you choose to remove your panels, and another \$1,500 fee should you choose to downgrade to a smaller system, so be sure you choose the right size the first time.

Buying Tesla solar panels

Homeowners can expect to pay \$7,012 for a small, \$14,024 for a medium, and \$21,036 for a large system before federal tax incentives, which can cover up to 30% of the total cost.

Mortgage Rates U.S. averages as of October 2019:

30 yr. fixed: 3.64%
15 yr. fixed: 3.16%
5/1 yr. adj: 3.38%



How to Find Down Payment Assistance



"Down payment assistance can come from many different sources—including federal, state, county, city and nonprofit agencies—and aren't always well-publicized," said U.S News & World Report. Here are four places to look:

1. Do a national search

There are over 2,000 programs available nation-wide to help homebuyers with loans or grants that reduce the amount they need to save for a down payment.

2. Check out statewide programs

A quick visit to the HUD site will allow you to search by every state to see which programs are available for you.

3. Now take it local

Many cities offer financial assistance or low interest programs for first-time and low income buyers.

4. Search by your profession

For example, the Neighbor Next Door Program for law enforcement officers, firefighters, emergency medical technicians, and teachers requires only a \$100 down payment for eligible homebuyers.

How to Get a Jump on Fall Home Projects



There's no time like the present to start preparing!

Mulch your yard

"Mulching around plants in autumn has all kinds of benefits, from preventing soil erosion to suppressing weeds to protecting plants from moisture loss and shifts in temperature," said Gardening Knowhow.

Get your heater checked

See if you can make an appointment now to get your system checked sometime this month so you're prepared when the cold weather inevitably hits.

Clean out your gutters

Clogged gutters can pose a danger to your home. Get them cleaned out now to make sure rain and snow can flow freely and aren't being impeded by leaves and debris.

Get a tree inspection

Heavy rain, wind, and snow can put pressure on tree limbs. You don't want them snapping and ending up crashing through your roof or breaking a window.

Check for leaks around windows and doors

Little leaks can cost you big time, and the sooner you deal with them, the sooner you can start saving money. "An average home loses up to 30% of its heating and cooling energy through air leaks," said Houselogic. "The most significant air leaks tend to occur around windows and doors."



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Dennis Kutny, REALTOR
E-mail: dennis@denniskutny.net
Website: <http://Sarasota-ManateeHomes.com>
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It's a DIY World out There. Are You Game?

By Jaymi Naciri

More and more homeowners are looking to save money, gain valuable experience, and take pride in their places by doing their own home fixes and renovations. But when do you know if a project is DIY-worthy or DIY-crazy? We're looking at five of the most popular projects to determine whether you can have at it or you should turn it over to the pros.

New Floors

The cost to install new wood floors can range widely, and is largely dependent on the cost of the product itself. HomeAdvisor estimates the cost of installation at \$3–8 per square foot; You can save thousands by installing it yourself, but it can be challenging

"Installing wood (or wood-like) floors can range from a fairly easy DIY project to one that requires a good bit of carpentry and finishing skills," said Today's Homeowner.

Truth be told, installation is hard on the knees, hard on the back, tedious, and seemingly never-ending—and also incredibly satisfying if you pull it off. "Flooring is one of the most popular home improvement projects because it's a way to transform the look and feel of the home without spending a fortune," Dan DiClerico, home expert at renovations website HomeAdvisor, told Money. "We've seen the project really take off in the age of open-floor plans in contemporary homes."

Be sure to invest in good products, good tools, and take breaks as needed to keep your body—and your mental state—in a good place.

New Lighting

A sparkly chandelier over the dining table, some new pendants that illuminate the kitchen island—the right lighting can make a huge difference in how your house looks and feels. Sometimes, all it takes is a change of lighting to make a space look fresher or give it some personality. But, while we're all about picking out the good stuff, we don't mess around with anything that can electrocute us. If you have basic wiring skills and feel confident that you won't set the house on fire while installing a new sconce, have at it. This post will give you some good info.

For the rest of us, count on an hourly rate of "\$40 to \$100 per hour with a \$75 service call-out fee," said HomeGuide. "Small electrical projects range from \$141 to \$419 with most homeowners spending \$280 on average. Project and hourly rates depend on the electrician's experience level and the type of work."

New Plumbing Fixtures

Plumbing is the other thing we don't mess with. We're happy to pay a professional to do the job right. But for those in the know, the savings over hiring a plumber can be well worth it. Adding a shiny new sink and faucet to a kitchen can give the whole space a lift. Ditto in the bathrooms, where changing out a shower head and faucets can make it appear that the space has been updated.

Expect to pay a plumber "from \$175 to \$450 for a typical job with the average cost per hour ranging from \$45 to \$200," said HomeAdvisor.

Replacing Windows and Doors

New windows and doors can add curb appeal, improve energy efficiency, and provide pretty good ROI while they're at it. For most people, however, this is a professional job. "Window replacement is a bigger job than most homeowners may expect," said The Spruce. "Window installers, after all, replace windows every day of their life; what is difficult for the DIYer is rote for them." In addition, "it is difficult for homeowners to buy their own replacement windows for self-installation.

According to HomeAdvisor, "labor will run \$150 to \$800 per window," so the savings can be substantial. If you want to take a chance, there is some good how-to info here, and Window E-Store is a good place to start looking for windows.

Painting Your Kitchen Cabinets

We've talked a whole lot about painting kitchen cabinets—because it's one of homeowners most-wanted renovations. The cost of hiring a professional can make the project price prohibitive; you're looking at several thousands of dollars to get a fine finish. Scrimp on someone without the experience, or who isn't going to do all the prep or skip steps, and you might save a few bucks, but you might also end up with drips, cracks, peeling paint, or all of the above.

That having been said, painting your own cabinets is a tremendous undertaking. It will test your patience, your resolve, and maybe even your marriage. So consider this one carefully.



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How Lenders View Retirement Income *By David Reed*

If you or someone you know is retired or retiring soon and planning on buying a "forever" home, there are some things to know as it relates to qualifying income. For most, retiring means living on less and essentially downsizing financially. The regular 1st and 15th paycheck is in the rear view mirror and now it's time for other income to come into play. For most, monthly income comes from social security, interest and dividends and retirement accounts.

Social security is a given. You can apply for social security up to three months before you turn 62. However, if you wait until 65 your monthly social security income will be higher. There are arguments on both sides as when to take social security, so it's important that you have a discussion with your spouse and financial planner. And yes, social security income is considered taxable income.

Dividend income and interest come from savings and retirement accounts. There's a special section on the loan application labeled "Interest and Dividend." As it relates to interest income, there does need to be a history of receiving it. Most guidelines ask there be at least a two year history of receiving it.

Borrowers will need to provide the last two years of federal income tax returns showing the amount of interest income received during that time frame. Lenders will average those two years together and then divide by 24 (months) to arrive at a qualifying amount. At the same time, lenders must also make a general determination that the interest income will continue into the future. It's a judgment call but lenders typically want to be assured the income will continue for at least three years. Borrowers may also be asked to provide copies of statements from these accounts showing the account balance(s) issuing interest as well as the terms of the amounts being paid. It's important to show that the accounts providing interest payments are sizable enough to make these payments without directly withdrawing from the account balance. This would reduce monthly interest income.

Dividend payments are a bit trickier because they may not come on a regular enough basis where borrowers can use the dividend payments to service debt and monthly expenses. If a dividend payment comes once per year, it won't be available year-round for debt service. For dividend payments that come quarterly, it can be assumed the funds will be available to help pay the bills in retirement. As with any other type of income, there needs to be at least a two-year history of receiving it and the lender makes an internal determination the income will continue into the future for at least three years.

A 401(k) account will also pay dividends. Borrowers should be prepared to fully document the terms and payouts of a 401(k) account, when the borrowers expect to withdraw funds from the retirement account and if there are enough funds available to help service any type of monthly debt.

In essence, any income outside of social security needs to have a history prove the likelihood of continuance well into the future. Even though someone is receiving some type of retirement income, there's the possibility it can't be counted toward qualifying income. For this, you'll need to speak directly with an experienced loan officer.



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First Time Home Buyers: Your Six Month Plan By David Reed

First time home buyers who dip their newbie toes in the mortgage waters might soon find out there's a lot more to know than originally thought. It is a brand new world with lots of new terms, people and businesses and it can be a bit overwhelming at first. Heck, even seasoned buyers can find the mortgage process quite a bit to handle sometimes. But for first timers, knowing ahead of time what to expect and when to expect it will make the process a smooth one.

Here's what to do financially when you've decided to stop renting and start owning.

Month 1:

You're still sort of in the exploratory phase but you're still committed on buying your first home. Yet buying a home isn't something you should do on your own, especially as it relates to financing. Know this, though- most every traditional mortgage company offers the same suite of home loan options. Mortgage lenders spend a lot of time and effort on marketing and loan officers live and die from referrals but both will try and differentiate themselves from everyone else. Typically the primary differences are experience in the industry and stellar customer service.

Month 2:

Now it's time to get some referrals for financing. You can get them from your selected real estate agent, friends and family or your financial planner or CPA if you have one. Once you make your choice about where you're going to get your first mortgage, you'll then speak with your loan officer over the phone or at the place of business. This is the prequalification stage. After a relatively brief conversation about your income, current debt and employment, the loan officer will research current mortgage rates and provide you with an amount you can comfortably qualify for as well as a list of loans that meet your needs.

Month 3:

It's getting closer. But now it's time to submit a loan application to your loan officer. Most often this is done online but your loan officer might offer to come to your home or place of business and take the loan application face to face. You'll sign a list of documents, most importantly your loan application and authorization forms allowing the lender to inquire about your employment and credit history. Your loan officer will electronically submit your application to an automated underwriting system which will, within a matter of moments, provide a list of items needed to get your loan to the full approval state. You will then have a preapproval letter in hand. It's time to submit copies of your pay check stubs, bank statements and tax returns if needed.

Month 4:

Your loan officer told you not to make any sudden changes about your work, employment or make any relatively large purchases. Don't go buy a car while your loan is in process, for example. You have your preapproval letter in hand so it's time to get serious about finding your first home. This, of course, is done with your real estate agent. And I can't stress this enough- do NOT try and look for a home and negotiate with the sellers about the price. Professional real estate agents are pros at negotiations and you're already out of your league. Let your agent do the heavy lifting by finding some housing options in the areas you'd like to live. And, surprise, a buyer's agent doesn't cost you a dime.

Month 5:

By now you've likely looked at your fair share of homes and you may very well be in a position to make an offer. You should always keep in close contact with your loan officer as well. Interest rates move over time and it's possible that rates have gone up which effectively lowers the amount you can qualify for. Conversely, rates may have gone down and your buying power received a boost.

Month 6:

You've found a home. Wheels begin to spin rather quickly after the contract has been signed. Your lender will need an appraisal and many lenders ask for money to pay for an appraisal upfront. Your loan will be reviewed one more time and any expired documentation will need to be updated. Credit documents such as a credit report, pay stubs and bank statements need to be no more than 30 days old when it's time to fund the mortgage. Once your loan has received full approval and you've met all your loan conditions, loan papers are orders. At your closing, you will sign a host of closing documents and have your down payment (if needed) and closing cost money wired to the settlement agent. After signing, the lender does one more review of your file, making sure all the documents have been properly signed. You're now a first time home owner.



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Want to Feel Safer at Home? Follow These Tips

By Barbara Raynott

We all love that taste of independence when we have the keys to our home or apartment. Having no one bossing you around or dealing with an annoying roommate can be quite exhilarating for many people. However, living alone isn't always that grand- especially when it comes to your safety.

If you aren't feeling safe on the premises of your home, your fun experience can quickly turn into a nightmare. That is why you should never compromise on the safety precautions of your house, whenever you are deciding to live alone. Make sure to look into the following tips to help you manage the security of your home and keep yourself safe from any future threats.

Increase the Brightness

It is mostly under cover of darkness that thieves prefer to rob a place- so the shade itself is what we should be careful about during the night. You can connect motion detectors with lights that are pretty inexpensive and work like a gem to spot out any incoming intruders. You can install these lights around your house, especially in the dark corners, so that you have an advantage of the extra layer of defense.

You can also try out some apps or devices that put a timer on your home lights. You can have them on a timer, so it looks like you are always at home even when you aren't or if you are feeling unsafe at your residence at night.

Increase Home Security

It is vital to install the best home security system in your house so that it can permanently take care of any lurking burglars and ease your anxiety at the same time.

Check out the existing security system of your house, and if you still don't feel safe with it, then you can add a new layer of protection with combined security systems to boost your safety precautions. Previously, security systems were expensive and difficult to use. But now they have become much more affordable and user-friendly. These security systems can monitor your house, detect any suspicious activity, and alert both you and the authorities as soon as possible.

Devices such as doorbell cameras and motion detectors can be super helpful as well. They are some of the best accessories that can detect any activities of the criminal from the start. Plus, burglars usually tend to avoid approaching homes layered with these kinds of security systems.

Get to Know Your Neighbors

You can start by being friends with your neighbors. This way, you can evaluate the type of people they are and eliminate any fear you feel from their side. And that's not all. You can also count on these people to offer some security for your home whether you are away or inside the house.

Nosy neighbors can be your best extra layer of defense. If they know when you are at work and when you aren't, they will have the right to interrogate anyone suspicious roaming around your house when you aren't around.

Check the Safety in Your House

You should do a thorough check of the safety of your home, preferably before you move into your new home. Since every house has its quirks, it can be helpful if you familiarize yourself with them.

Check out to see if whether there are deadbolts added to every entrance. Investigate entry points such as your windows and look into how secure they are. Assess the condition of your house and let your landlord know about any creaking doors or any continuous suspicious sounds so that they may look into it and fix the problem.

Be Smart with Your Keys

One of the things that many home dwellers forget is that they aren't the only ones that have the key to their house. People such as landlords or previous owners might also have the key, and that puts your safety and the security of your home at risk.

Make sure that you change the locks of your house and that you are the only one with the key to your home. If you wish to make a spare key, don't hide them under the rug or a pot plant. Give them to a close friend or a relative instead.

Additionally, if you fumble with your house keys before entering your home, it can be seriously dangerous for you especially if you come home after work at night or live in a quiet town. Criminals can take advantage of the darkness and rob you while you are searching for which key you use to enter your home. Make sure that the house key is separated from others so that you can swiftly enter and lock your doors within a matter of seconds.

Be Careful Online

We know that you can't help but to keep posting stuff like anyone else, but you need to be careful about the things you put up online that can threaten your security.

For example, posting your current location can be the biggest giveaway you can provide to potential criminals. Make sure that you don't hint out to others online when you are going out, if you are living alone, or when you plan to come back home etc. The more privacy you control, the safer you will be from any criminals approaching you.

Emergency Exit Strategy

Despite having a proper security system, having a backup plan is an essential part of your protection.

For worst-case scenarios, you must create an emergency exit response strategy. Practice your fire escape strategies, the know-how to inform authorities and who to connect with in case of any emergencies. When you have a backup plan set up in the back of your head, it can help you respond better to emergencies. Your anxiety will be kept at bay once you have a clear idea of what you can do to keep yourself safe against the odds.



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