

Your REALTOR:

October 2024



Dennis Kutny

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Important Reasons To Keep Your Gutters Clean



A report from Prime Time Window Cleaning gives a clear picture of the damage that can be caused by failing to clean out your gutters each year. They report that millions of dollars in damage are caused to Chicago area homes. The lesson to be learned can be applied across the nation. When Fall comes calling, homeowners must clean out their gutters.

What's wrong with clogged gutters?- As leaves and debris build up in your guttering system they become blockages. Instead of water flowing easily into downspouts, it backs up onto eaves, the roof, and other parts of your house eventually leading to rot. This can lead to interior home damage to walls and ceilings.

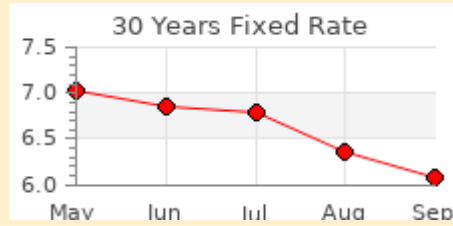
This in turn can lead to interior home damage to walls and ceilings. Overly full gutters can bend the gutters and their brackets.

Even flooded basements and cracking foundations are other symptoms of clogged gutters. If water isn't drained away from the house and it pools around the foundation it will expand when frozen and cause cracks which lead to floods in your basement or crawl space.

Thankfully, all it takes is a few simple tools and some elbow grease. You'll need comfortable gloves, trash cans or bags, a ladder, garden trowel, and a hose. Begin by scooping out the large debris and depositing it into your bag or can. Next, scrape any remaining deposits with your trowel. Finally, clean out the gutter with a steady stream of water. If you find an area in a downspout that is clogged and can't be reached, simply use a plumbing snake to push the blockage on through.

Mortgage Rates U.S. averages as of October 2024:

30 yr. fixed: 6.07%
15 yr. fixed: 5.16%
5/1 yr. adj: 5.77%



Manual vs. Automated Underwriting



What are the differences and why do lenders do both? Early on, all loans were manually underwritten. There was no other alternative. All files were documented heavily before the underwriter even looked at the file. A fully completed application along with bank statements, paycheck stubs, W2s, and tax returns were needed upfront. Everything an underwriter might need would need to be included with the initial application. If not, or there was something missing, the underwriter would send the loan file right back to the loan officer.

Today, almost every loan file is reviewed using an automated underwriting process. The application is digitally processed and run through the automated underwriting application. This process takes just a few moments. The file is reviewed, credit scores pulled and the 'findings' are produced. The findings are what is needed in order to have the loan ready for final approval and ultimately selling the loan. Selling a loan provides the lender with replenished funds needed to continue making loans.

I Am Selling! Why Would I Put Money into a House I am Leaving?



This is the most frequently occurring question professional stagers field every day! There are many

reasons to support the process of staging a property prior to bringing it to the public for review. Let's look at a few of them.

Who is Buying? Whether you know, or believe it, it is true; the buyer will determine IF your house will sell, when it will sell and for what price. You can have your hopes, wants and dreams but ultimately the power lies with the buyer. A great staging professional is knowledgeable about which demographic is most likely to purchase your property and will make recommendations with that in mind. The largest property buying demographic today are Millennials. The younger members of this tribe may still favor renting, however once they hit their 30's and begin to settle down they want their version of a great house.

What they want is move in ready. Why? Pressing student debt is already a worry, they scrape together as much as possible for the down payment and simply don't have extra cashflow to invest in "fixing-up" the things you couldn't be bothered to do. The other factor to consider is this group of people do not want to be "DIY weekend warriors"; they want to have fun on the weekends! Also, many don't have the skills to do the work- and they are not interested in learning how to do it!

Whether the market is hot, cold or indifferent, staging is a powerful marketing tool which should never be discounted because of the outlay of money.



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Dennis Kutny, REALTOR
E-mail: dennis@denniskutny.com
Website: <http://Sarasota-ManateeHomes.com>
Cell: (941) 626-1093

Premier Plus Realty

227 Central Ave.
Sarasota, FL 34236

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5 Necessary Steps to Flipping a House By Vincent Stokes

Thanks to the popular reality TV shows that feature house flippers who make nearly \$50,000 in just a few weeks, house flipping has become more and more popular. There's nothing wrong with the profession--it's lucrative, honest, and helps a lot of people find their dream homes (since you've helped to fix it up for them). The only problem is that you have to be able to do the job right. You can't go into it expecting to paint the walls and sell the home for a million dollars. House flipping can take a lot of research and hard work. To help, here's what you need to know in order to flip a house in 5 main steps.

1. Research the Real Estate Market

Not every market is the best choice for flipping houses. For example, if you're starting off with just \$10,000 that you can work with out of pocket, you probably shouldn't start flipping houses that are being listed in the millions. It won't work out well for you and you'll end up with less than you started with. The general rule of house flipping is the less cash you have to work with, the less the house should cost overall. That means that the first two questions that you need to answer are:

- How much cash are you starting off with?
- What market can you afford to work with?

You need to know where the neighborhood that you're planning on working with sits on the scale of A to D. A neighborhood that is classified as "A" means that the homes are wealthier. A "D" neighborhood would be considered poorer and definitely working class. All neighborhoods have their benefits and their challenges, so learn about your market before you buy a home to do your first house flip.

2. Set a Budget and a Plan

You'd be setting yourself up for failure if you went into this without a real plan. It doesn't have to be fancy or crazy, or even super in-depth. You need to know how much you'll think the flip is going to cost you and how much you're going to make off of it. Also, make sure that you're never buying anything that has major problems that you won't be able to fix within your budget. For your first house, you want something that you can flip fast and easy.

3. Find the Right House

The next thing that you need to do is to find the right house to start your work on. Again, this is where the neighborhood classifications comes into play. You need to find a home that fits into your budget without any major complications. Do your research about the home first as well. Make sure that the house is structurally sound, has no infestations, and no mold issues. Everything you're doing is going to feel like a numbers game again, and it is. You need to find a house that's high enough to let you still make money off of it. And low enough that you'll be comfortable with the price that you'll be spending.

4. Renovate

Here comes the part that you were expecting: the renovation. This is one of the most important parts of the process. You'll be on the clock working on the house all day and into the night since the faster you can flip the house, the more you'll make. Add features that make the house feel homey. Add a skim coat to the walls to make everything last longer and to give it an appearance of quality. Every month that you spend working on the house you'll lose money. You have to pay taxes, bills, and insurance. Because of all of that, try to finish the home as soon as possible.

5. Get Ready to Sell

The final step of the process is thankfully the easiest. All you have to do now is sit back and get ready to sell the home. It's up to you to set the price that you want to sell it at. You want to sell it low enough to make sure that the house is relative in the market, and high enough that you'll still make money off the process.

Once you've done that, you can move on to bigger and better projects.



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Dennis Kutty, REALTOR
E-mail: dennis@denniskuty.com
Website: <http://Sarasota-ManateeHomes.com>
Cell: (941) 626-1093

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Unique Ways To Finance Your Home And Save Money By Gary Bordeaux

Buying a new home can be a very exciting process, especially if it is your first home. Now that you are turning your dream of owning a home into a reality, it's time to figure out how you will pay for it. Most people will choose to take out a home mortgage with a traditional lender like a bank or credit union. If you are worried you may not be qualified for a loan with a great interest rate, you may choose to take other options for financing your home into consideration.

With some due diligence and research, you may find you have other ways of helping pay for your home that you would have never thought of before. There are companies who offer customers flexible financing options that will work for your budget. Below are some alternative ways to finance your home and save money on utilities.

Ask Family For Help

If you are not wanting to ask a bank for a loan, maybe you have family who could help you out instead. Many first-time home buyers choose to ask their parents for a loan when purchasing their first home. If your parents are financially in a position to offer you money, it should be considered. Be sure to have all of the agreed-upon terms written down and signed.

Seller Financing

In some cases, it may make more sense to find a home where the seller is offering to finance the buyer. This typically happens when the seller is having trouble getting their home sold. While this is not typically the best deal for sellers, it can offer a lot of benefits to a buyer. You may find yourself able to close much faster than with a mortgage from a traditional bank. Typically, the downside to this type of deal is having to pay higher interest rates. This will allow the seller to make up for the risk of financing the mortgage themselves.

Rent-To-Own

Another popular option for financing a new home is a rent-to-own program. These programs are very straightforward and allow prospective home buyers to rent a home they're interested in for a specified amount of time. Once your time is up, you will be able to choose whether or not you want to buy the home. The downside to this type of program is that the payment is often higher than typical home prices in the area.

If you choose not to buy the home, the money you paid will not be given back. However, if you choose to buy the home after the rental time is over, the money you spent on rent will be applied toward the final purchase price of the home. This deal works best for someone looking to buy a home within the next few years and they are unable to come up with a down payment at the time. It is also perfect for people who are working on raising their credit score to get approved for a low-interest mortgage.

FHA Financing

An FHA loan is insured through the Federal Housing Administration. This allows lenders the ability to offer home buyers better deals with low down payments, easy credit qualifications and lower closing costs. If you're looking to buy a home when are low on cash and have a bad credit score, an FHA loan is a good option to consider, especially if you are a first-time home buyer. If you consider this type of loan, you will be limited to purchasing properties that are FHA approved and will be required to purchase mortgage insurance..

Solar Loans

Once you purchase your home and find a way to finance it, you should always be on the lookout for ways to save money and afford your rent. A solar loan is a great option to consider if you are interested in solar energy. These types of loans can be secured against your home. Once the solar panels are installed, the money you save on your electricity can be used towards your mortgage payment.



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How to Prepare for Your First Real Estate Auction By Ashley Sutphin

There are different scenarios where you might be interested in buying a property at an auction. It could be that you want a fixer-upper as your new home, and you want a good deal. You might also be considering an investment. For example, you can buy a property at auction and flip it or rehab it and rent it out. Regardless of what you're looking for, real estate auctions can be exciting and can offer great deals, but they can also be stressful and intimidating. Going to a real estate auction and ultimately bidding on a property is not the right option for everyone. You need to have cash on hand in most cases or be willing to use a high-interest and risky loan to make a purchase.

If you're thinking about going to an auction, the following are some of the things you can expect as you prepare.

What Properties Are Sold At Auctions?

Any type of property can technically be sold at an auction, but most commonly, you'll see foreclosures. Usually, a lender-appointed trustee will do a foreclosure sale in an attempt to get the balance of the loan after a borrower defaulted. There are both in-person and online auctions.

Each state has its own set of rules that guide how real estate auctions have to work.

If you're going to a live foreclosure auction, they're open to the public, but you'll need to register ahead of time. You'll probably have to show you have the funds to purchase the property in full if you register.

Finding an Auction

There are sites like Auction.com that will list foreclosure auctions going on near you. You can also find data on foreclosures and auctions through your local county website.

Another option is to work with a real estate agent or broker who can find foreclosures and auctions for you.

Research

Before you go to an auction, you should do your research. You need to know about the transaction details before you ever show up to an auction. If you're new to auctions, it could be worthwhile to talk to an attorney or agent beforehand.

Some of the things you need to ensure you know going into an auction include the property's estimated resale value, what's owed on the mortgage, and whether there are currently liens against the property.

If your bid wins at a real estate auction, you are responsible for paying off loans against the property.

If you have an idea of a property you're interested in, before the auction, you should have a professional, which can be a real estate attorney or a title company, run a title search.

As part of your research, you should also drive past the property. Know that you can't disturb the person who lives there or trespass, however.

You're Buying As-Is

When you buy a home in the foreclosure process, you're bidding on the home as-is. You're not going to know what the condition of the home is until your bid wins and you take possession. This is one of the many risks of a real estate auction. You're going to have no idea how much work is truly needed and what that work is going to cost.

Financing

Before an auction, you'll need to have your money in order. Typically at a foreclosure auction, you can pay with cash, a cashier's check or a bank money order. In almost every state you will have to pay in full after the auction. Some states will let you pay a percentage of the purchase price at the auction itself and then you might have 30 days for example to pay the rest.

If you're going to a county foreclosure auction, you'll have to pay an advance deposit, and that amount ranges from 5 to 10% of the final bid amount.

Attending the Auction

If you've done your due diligence and the day of the auction has arrived, you want to show up at least an hour early. This gives you a chance to get an auction bidder card. Then, again, if you win, your payment is probably due either right away or maybe the next business day. After you pay, you will fill out a certificate of sale and a deed upon sale. You'll also get an IRS Form 8300 to complete. Some of the specifics vary depending on your state. You get the certificate of sale immediately, but your certificate of title might not come for 10 days.

Finally, the owner may be able to object to the sale during that time, and then they would pay the amount owed in full so they could keep ownership of the property. Because of this, don't start working on the property until you get your certificate of title.



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Dennis Kutylka, REALTOR
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Should You Buy a Short Sale Property?

By Velma Dunn

Deciding to buy property is one of the biggest decisions you'll ever make. It has many long-term implications and should never be undertaken lightly. The process of buying a property can be mind-boggling as there are so many options out there.

One of them is a short sale home. This is a property that is for sale at a price lower than that which the current owner owes the lending institution.

How does a short sale work?

Homeowners who have run into problems paying off their mortgage loans can often take advantage of a short sale. When they get into a situation where they have no alternative but to contemplate a short sale, the house's worth is lower than that of the mortgage balance.

The only other option the homeowner might have is going into foreclosure. It's a win-win situation for the lending institution and the homeowner. The bank avoids having to repossess the house, which is a time-consuming and costly process. The seller can escape without having their credit too severely affected or having to declare bankruptcy.

What are the conditions for a short sale?

The factor that precipitates a short sale is a drop in the house price by at least 20%. The homeowner no longer has equity in the home. However, they have no choice but to continue paying the mortgage. When they can no longer do so, it's time to get help.

Before the homeowner can contemplate a short sale, the lending institution must approve. The bank is likely going to lose money in the process, so it needs to weigh in on the decision. Documentation must be presented that shows a short sale as the best option for all parties involved.

Should you buy a short sale property?

It sounds like a no-brainer since you're going to get the house at a reduced price. However, the process is lengthy and requires much paperwork. A short sale can take between two and four months to complete.

As the buyer, you'll need to have the approval of the owner and the bank. During their negotiations, the bank and the owner set a minimum price for which the property should be sold.

Getting the help you need

As soon as you see a short sale property you're interested in buying, contact the real estate agent immediately. The agent will need to do some research on the property to make sure that all the paperwork is in order. The owner has to supply a lot of documentation to support the short sale.

Those with some experience in buying short sale properties suggest that you, as the buyer, make sure that the agent has some experience. Someone who's completing their first short sale might not be the best option for you if you want the transaction to proceed smoothly.

You'll need to make an offer on the property, much like you would at an auction. It is possible that another buyer could outbid you. Your real estate agent might approach you to up your bid. You can do so if you have the finances and feel that you have a genuine interest in the property.

As much as a short sale property might seem like a bargain, weigh up the pros and cons carefully. Often, homeowners who have been struggling to keep up with their mortgage payments have not kept up with home maintenance either.

You might need to spend a lot of money on house repairs, wiping out any savings you might otherwise have made. It will also take a lot of time to complete the transaction, so it won't be an option if you're looking to move immediately.



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