



Real  
YOUR LIFE | YOUR HOME  
Estate



# Protect Your Basement

A basement is a great place to add an extra bedroom or entertainment area. However, basements are prone to issues such as moisture and humidity.

A wet basement not only gives off a musty smell, but also can pose serious health risks to you and your family.

Moisture in a basement plays a part in rotting floors, promotes mold growth and can even damage your home all the way up to the roof. Some problems can be easily corrected by diverting water away from your home, but others such as underground seepage or faulty storm drains, require more attention.

Below are some common problems you face if you let water continue to impact your basement.

## PEST ISSUES

Termites can be tempted to invade wet wood. Signs of a termite infestation include piles of wood shavings or traces of transparent wings.

If you are experiencing an invasion, immediate attention is required. An exterminator can relieve your home of the pests, but you also should have your home's joists inspected for damage.

## MOLD

The Centers for Disease Control and Prevention reports that exposure to mold can cause nasal stuffiness, throat irritation, coughing, eye irritation and even skin problems. People prone to chronic lung illnesses are at risk of serious lung infections when exposed to mold.

Basements that suffer from wet con-



ditions become a breeding ground for mold and mildew. It won't stay contained to the underground room, but instead affect your entire home. If you notice mold in your basement contact a professional removal service. Remember, if you don't fix the water issues, mold and mildew will continue to develop even after removal.

## FOUNDATION DAMAGE

Nearly all cases of foundation damage involve water. This damage puts the stability of your home and the safety of your family at great risk. Signs your foundation is already affected

include wet walls, puddles of water running across your floor or stair-step cracks climbing the walls. Hire a professional to determine the extent of damage if you notice these signs.

## SOLUTIONS

Unfortunately, there are many different causes of water making its way into your basement. Finding the problem can be a costly and time-consuming process. A few things you can do to better your chances of a dry basement include:

- **Gutter extensions:** Downspouts that are dumping water less than 5 feet

from your home should be rerouted. Add plastic or metal gutter extensions leading away from your home. This should be a temporary solution and used to test for ways to eliminate water entering your basement.

- **Sump pump:** This involves creating a hole in a low spot in your basement and using a submersible pump to evacuate water when it becomes present.

For a permanent fix, consider hiring a basement-waterproofing service. It will be an investment in protecting your family's health and boosting your home's value.

# Improve Your Credit

Your credit score is the three-digit number designed to predict your financial risk or stability — specifically so that lending institutions can better understand your likelihood of paying off obligations.

Your score can range anywhere from 350 to 850. A higher score indicates greater financial stability. Knowing your score is critical to proper planning for loans and large purchases that require help from your bank.

## CHECK YOUR SCORE

The best way to stay on top of your score is to check it regularly. There are three major credit bureaus: Equifax, Experian and TransUnion. There also are many services available that allow consumers to check their credit report for free.

Credit reports often have mistakes on them. In fact, according to the Federal Trade Commission, one in every five consumers has an error on at least one of his reports. Your score is based on these reports, so it is essential to make sure they are up to date and accurate.

- Is all your personal information accurate? This includes your name, birth date and Social Security number.

- Are there any reports of late or missed payments that you remember making on time?

- Are there any applications for credit, or lines of credit, you don't recognize?

## IMPROVE YOUR SCORE

When you check your cred-



it score, you will inevitably find there is room for improvement. There are several actions you can take to improve your credit score.

- **Catch up on any late payments.** If you always make

your payments on time, be sure to keep doing so. Late payments can be the largest factor in bad credit.

- **Clear up any collections accounts.** Medical bills are the worst offenders when it

comes to collection accounts. You might not even realize you have an account in collections.

- **Open a credit card and be responsible with it.** Opening a credit card can be a great

way to improve and build credit, but it could also hurt your score if you don't use it responsibly.

Be sure not to over-charge and pay your bill on time every month.



# Benefits of Renting

**H**omeownership is a common American dream. In fact, a majority of United States citizens own their own homes — or are making payments toward that end. But don't discount renting.

There are many financial and social benefits to renting over owning a home. Consider the following advantages of signing a lease over signing a mortgage.

## **NO DOWN PAYMENT AND NO REAL ESTATE TAXES**

When you purchase a home, you are required to make a down payment — ideally 20 percent of the purchase price. This can take years to save up. With renting, at most on signing you will need first and last month's rent, a damage deposit and a pet deposit, if applicable.

This amounts to considerably lower upfront costs.

## **NO MAINTENANCE**

When you rent a property, maintenance and repair is a landlord's responsibility. If the roof leaks, the stove breaks or the air conditioning stops working, you won't see the bill for the repairs.

## **AMENITIES**

Many apartment buildings



offer amenities that would incur a significant expense if you had to install them yourself. Think of the fully-equipped gym, pool, tennis courts and dog park. Bonus: You also don't have the financial responsibility or time commitment of the upkeep on these luxuries.

## **BUILT-IN COMMUNITY**

Along with the amenities, it can be much easier to feel as if you are part of a community

through renting. Renters are more likely to know their neighbors, participate in community events and make new friends by approaching people they don't know.

It also can be a lot easier to find someone willing to check up on your place when you go on vacation.

## **LOCATION, LOCATION, LOCATION**

Many apartment buildings are situated in great locations

in their cities because landlords are trying to attract tenants. This means that you can easily find an apartment near the best restaurants, bars and other attractions.

## **A NOTE ON "THE INVESTMENT"**

One of the most-often heard pieces of criticism renters hear is that they are investing in nothing, whereas homeowners will see a return. This is, of course, true. However, most

homeowners eventually sell only to purchase a new home, which means their investment is continually tied up. It is rarely the homeowners themselves who will see their return.

Homeowners also have to worry about issues such as depreciation of neighborhoods and substantial cosmetic and structural upgrades over the years — issues you as a renter will never need to worry about.



# Buying Vacation Property

**H**ave you always wanted your own vacation spot — somewhere to escape to that's comfortable and familiar for a quick retreat? Or maybe you and your family visit the same location every year, and are thinking about how much easier it would be to have your own place to which to return.

These are both great reasons to consider an additional property. Before you sign on the dotted line be sure you've to take the following steps.

## CRUNCH THE NUMBERS

It's up to you to make sure this is a purchase you can comfortably afford. While real estate can be an investment that appreciates over time, this is not always the case.

Also keep in mind that you will be responsible for all the upkeep that comes with a second property. Given that this property probably won't be near your full-time residence, you will most likely need to outsource any services or repairs.

## KNOW THE RULES

Not all property is zoned to rent, so if your plan is to rent out your second home while you aren't using it, be sure to consult with a real estate agent on local zoning laws.

Even if it is sanctioned by the city, condos and homeowner's associations may have their own rules on renting and subletting.

## KNOW YOURSELF

How often do you see yourself using the property? While a vacation home might seem like the answer to all your weary



traveler problems, you need to first understand how much use you will get out of the property versus the cost of purchase and upkeep.

## HAVE A PLAN

You need to be prepared for emergencies and disasters. This does not mean only fires or earthquakes. Things that seem

like a simple inconvenience at your everyday digs — such as a water leak — can have devastating effects on a vacation property that is not checked on

regularly.

To be a responsible owner, you will need to make arrangements for someone to check on your property regularly.



# What's Your Dollar Worth?

According to the National Association of Realtors, the median home price in the United States in 2016 was \$236,400. It is common knowledge that the cost of living varies by geographic location — including housing costs.

Here is a sampling of what last year's median home price will get you in six cities across the country.

A 650-square-foot fixer-upper  
in Brooklyn, N.Y.  
1 bed, 1 bath  
**LIST PRICE:** \$230,000

While this property needs some serious TLC, it is in livable condition, in a great neighborhood. It is located in a co-op, elevator building on the second floor, with covered parking available. However, this is a no-pets building. You would also have homeowner's fees of \$552 per month — but this covers all utilities and real estate taxes.

A 780-square-foot fully-updated  
pad in Chicago  
1 bed, 1 bath  
**LIST PRICE:** \$235,000

This beautiful apartment is housed in a 19th century building in the coveted Lincoln Park neighborhood. New everything — tall cabinetry, granite countertops, new tile and stainless steel appliances. While there is no reserved parking, HOAs will only run you \$163 per month.

2,260-square-foot two-story suburban  
charmer in Charlotte, N.C.  
4 beds, 3 baths  
**LIST PRICE:** \$230,000

This southern charmer boasts a two-story foyer, formal living and dining rooms, and a master bedroom with



a walk-in closet. There also is a spacious attached two-car garage and a fenced-in backyard.

1,823-square-foot brick ranch  
in Plano, Texas  
3 beds, 2 baths  
**LIST PRICE:** \$230,000

At this price point, you are guaranteed some enviable curb appeal — outdoor lighting, updated landscaping and a brick front walk. The outside offers no

empty promises. The inside of this property offers custom wainscoting, crown molding and plantation shutters.

1,228-square-foot bungalow  
in Iowa City, Iowa  
2 beds, 1 bath  
**LIST PRICE:** \$230,000

A well-maintained home in a great location. Walk to Kinnick Stadium and UI Fieldhouse. Go Hawkeyes!

1,584-square-foot historic row home in  
Baltimore, Md.  
3 bed, 2.5 baths  
**LIST PRICE:** \$235,000

This home offers the exposed brick of your urban dreams. It has been beautifully renovated, with hardwoods throughout all three stories. It also is within walking distance of Penn Station. While nowhere near the pier (you're going to have to increase the budget for that) this charmer is guaranteed to knock your socks off.





# The Row Home

While some view row homes as too close to neighbors for comfort, many are captivated by their historic charm and inherent coziness.

## FROM BALTIMORE, WITH LOVE

Baltimore, Md., has more row houses than any other city in the United States. Rows

of homes popped up along many streets, and their sheer numbers — along with energy-saving architecture — meant that by the late-19th century, 70 percent of the Baltimore population owned their own homes.

While the row home did not originate in Baltimore (the concept came from England), nor are they alone in their love for the architecture (other famous row home streets are in New York, Philadelphia and Boston) the row home is an iconic part of

Baltimore's identity.

## FEATURES OF A ROW HOME

- **Multiple stories:** Row homes have at least two stories, if not three. Historically, the first floor would house a business of some kind, and then the shop owner and his family would occupy the remaining floors.

- **Narrow layout:** Traditionally the living room is located in the front of the house, followed by a small dining room and kitchen.

- **Side hallways and stairways:** Because of the narrow layout, all hallways and stairs line one side of the home.

## AN EFFICIENT CHOICE

Cozy and practical, these row homes are fuel efficient. In fact, according to a 2011 Department of Energy report, townhouses and row homes use approximately half as much energy as free-standing homes.

This makes them the perfect choice for the environmentally conscious.

## AN URBAN RENAISSANCE

The oldest neighborhoods in Baltimore — Federal Hill and Fells Point — once deteriorated due to overcrowding, neglect and age are now listed on the National Register of Historic Places.

The movement to preserve the area brought attention to Baltimore's waterfront, which in turn renewed interest in older city row homes. The area is now very popular among young professionals and is bursting with nice restaurants, bars and shops.



# Small Businesses Properties

**D**uring a recession, small businesses can be impacted the most. When the market declined in the late 2000s, many small businesses found it hard to stay open and were forced to get creative with their business plans or risk closing.

The economy has shown a slow but steady recovery since 2010, and now could be a great time to purchase commercial real estate for your business. Before you do, consider the following aspects of your position.

## **UNDERSTAND YOUR NEEDS AND LONG-TERM GOALS**

What are the practical needs of your business? Will you require special features in a building? This could be in the form of the number and size of rooms

you will need, refrigerated space or loading docks.

Also consider if your space requirements will change over time, and if they will, consider how soon you estimate out-growing a space. Decide if it is important for your business to remain in the same location — as location can make or break a business.

The answers to these questions will not only help you choose a property but also are important to a loan officer, who will want to be sure you under-

stand the commitment you are making.

## **UNDERSTAND YOUR FINANCES**

As an owner of a property, you will be able to deduct interest, real estate taxes and other expenses. Owning also can provide stability to your overhead costs.

You never have to worry about a landlord raising your rent or having to abide by any other stipulations a landlord might to decide to add to your lease with every re-signing.

## **UNDERSTAND YOUR LEGAL RESPONSIBILITIES**

Research local building and zoning rules. You don't want to enter a property banking on an expansion into the parking lot down the road only to find out that city codes don't allow it.

You also will need to decide if you want to own the property through your small business, or create a "holding company" to own the property and then lease it to your small business.