

Real Estate

YOUR HOME | YOUR LIFE



Get an Energy Audit

A drafty window or door is easy enough to spot, but what about other areas of your home that may be costing you money and comfort? Consider an emerging sector of the real estate industry – home energy audits.

Sellers may opt to pay for an audit from a reputable company before putting their home on the market. Buyers may choose to protect their investment by understanding all of the energy-related repairs they may have to make when they move in.

So what exactly is an energy audit?

THE BASICS

An energy audit should take less than a full day and will include detailed checks of the following:

- Air infiltration and escape
- Heating and cooling system
- Major appliances
- Windows, doors and other openings
- Hot water heater

THE REVIEW

The point of an energy audit is to help homeowners save money and solve comfort issues. The analysis can pinpoint specific deficiencies throughout the home.

Most companies that perform the service also are in the construction industry, so they are able to expertly recommend changes or make the repairs themselves.

You should receive a full report that will help you make educated choices in which areas to improve immediately, and which ones could probably wait.

ASK FOR CREDENTIALS

Since energy auditing is a relatively new industry, it is not fully regulated in many states. This means it is up to you to do your homework on firms offering these types of services. Call your local chamber of commerce to find out more about a company, or reach out to friends and family members about any past engagement with the owners.

You also can use online research to check the credibility of firms in your area. Does the company have a website? Are they active on social media? By checking these online landing spots, you should be able to find customer reviews or feedback that could be instrumental in guiding your decision.



Become a Property Manager

The real estate industry has progressively improved since the Great Recession, making it a stable time for professionals to enter the field. One of the fastest-growing segments of the sector is property management.

Think about the development taking place in your area. Residential, commercial or industrial properties aren't just built and forgotten. They require management to preserve resale, leasing or rental value.

The median annual wage for property managers was more than \$52,000 in 2012, according to the U.S. Department of Labor. The flexibility of working both in an office and on site – along with a nice salary for most parts of the country – make property management a desirable career.

WHAT IS A PROPERTY MANAGER?

Property managers take care of a variety of issues spanning maintenance, showing apartments, grounds inspection and meeting with owners. About half were self-employed in 2012, says the U.S. Department of Labor. Property managers also may be in charge of a large budget, numerous team members and various administrative functions, such as paperwork, compliance reporting and calendar oversight.

KEY SKILLS

The following skills are paramount to any candidate entering the industry: Knowledge of real estate market, trends and terminology; strong passion for customer service; responsive, positive communication skills; ability to manage diverse teams of officer workers, repair technicians and vendors; proven skills in identifying, analyzing and resolving complex property-related issues

CAREER OUTLOOK

According to the Labor Department, employment in this sector is expected to grow 12 percent from 2012 to 2022, close to the national average for all positions. Steady growth means competition will be high. Candidates with college degrees in business administration or real estate, as well as those with professional industry certifications, will have the leg up.



Youth Driving the Market

Are you a millennial? If so, you may hold the key to the future of the real estate market. Americans ages 18 to 34 have been slow to enter the home-buying market, but that could be about to change.

A July 2014 report by the Joint Center for Housing Studies of Harvard University showed that the number of households headed by people in their 30s should increase by 2.7 million over the next 10 years.

This explosive growth should boost demand for new housing, the report says, as many millennials will finally be financially secure enough to take the plunge.

THE HOLD-UP

Young Americans are burdened with higher-than-ever student loan debt and falling incomes, forcing many to remain under their parents' roofs. More than 2.1 million adults in their 20s lived with their parents last year, according to the study, and student loan balances increased by \$114 billion. These issues have kept the real estate market from growing at a more impressive clip.

BIG CHANGES

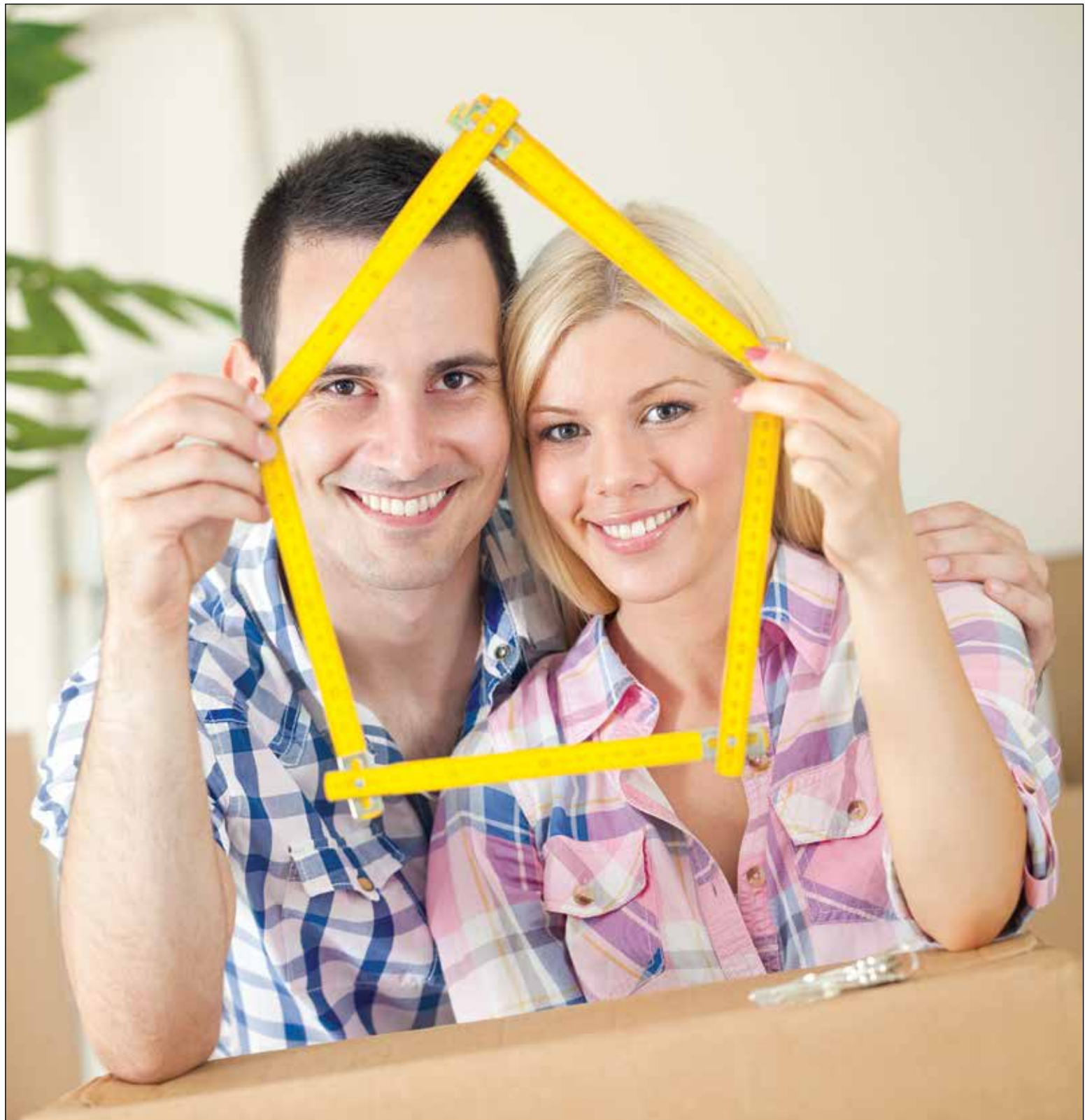
Economists point to one major factor that could help boost a more prominent entry of millennials into the housing market: higher incomes. Better pay means more savings for the younger generation, who would then have more for down payments.

Another important factor reported the study is how potential housing finance reform will affect the cost and availability of mortgage credit for the next generation. By 2025, minorities will make up 36 percent of U.S. households and account for nearly half of the typical first-time homebuyer market, according to U.S. Census projections.

Other highlights from the Harvard University report:

Cost Burden: Over 35 percent of Americans spend more than 30 percent of their income for housing. Fifty percent of renters are cost burdened, and 28 percent are severely cost burdened (meaning they spend over half of their income for housing).

Housing Availability: Between 2007 and 2011, the number of Americans eligible for assistance rose by 3.3 million, while the number of assisted housing units was unchanged.



The New Office

One of the most impacted groups during the economic downturn was real estate developers. We are now starting to see commercial professionals in this space bounce back – with a new office development strategy.

It's no longer considered viable to build expansive, expensive complexes for the common Main Street business. Developers are instead focused on smaller spaces and energy-efficient additions.

OPENING UP

A recent Wall Street Journal article detailed how office space with creative, open floor plans in San Francisco had a 2.54 percent vacancy rate, compared with a 10-plus percent vacancy rate for more traditional, closed-door layouts.

More open work areas have become more critical as mobile and technological advances in communication have allowed workers to move more freely. Standard, high-wall office cubicles are being replaced by smaller workstations with smaller separators.

Adjustments to employee barriers are designed to encourage more interaction and teamwork. They also play a role in changing the dynamics of stuffy, crowded meetings inside formal conference rooms. Companies are using open office space to mimic a town hall feel, making employees feel more invested in important business decisions.

COST CONTROL

More open space also can



mean more savings to owners' bottom lines. Heating costs can be slashed by increased access to sunlight, and cooling costs can similarly be decreased with access to fresh air.

According to the Society for Human Resource Management, company absenteeism and health costs can be

reduced by providing employees with a more attractive office with better access to natural light and air versus more contemporary office spaces.

DOWNTOWN DESTINATIONS

This need for cozier, more

collaborative space is making the older downtown building an attractive option for business owners, as well.

The National Trust for Historic Preservation reports an uptick in company owners seeking locations close to local shopping and services.

Buildings situated in walk-

able neighborhoods are closer to dry cleaners, health clubs and restaurants.

Having these options nearby can give employees an increased incentive to spend more time in the office, while also saving owners money in spending on such amenities in their buildings.

Lead Paint

The hazards of lead paint are widely known and recognized, especially since the Environmental Protection Agency began regulating renovation, repair and painting activities in pre-1978 residential properties.

Paint that is chipped or deteriorating creates lead dust that can pose serious health problems to occupants and visitors.

Buildings built before 1978 are much more likely to have lead-based paint, according to the EPA, making it crucial that Realtors, buyers and sellers alike educate themselves on the risks and laws surrounding it.

FOR PROFESSIONALS

Real estate agents play an important role in protecting the health of families purchasing and moving into a listed home. Federal law in fact requires Realtors to provide certain important information about lead paint before a prospective buyer is obligated under a contract to purchase the home.

Agents must inform the seller of his or her obligations under the Real Estate Notification and Disclosure Rule. In addition, the agent may also be fully responsible if the seller or lessor fails to comply, according to the EPA.

FOR OWNERS

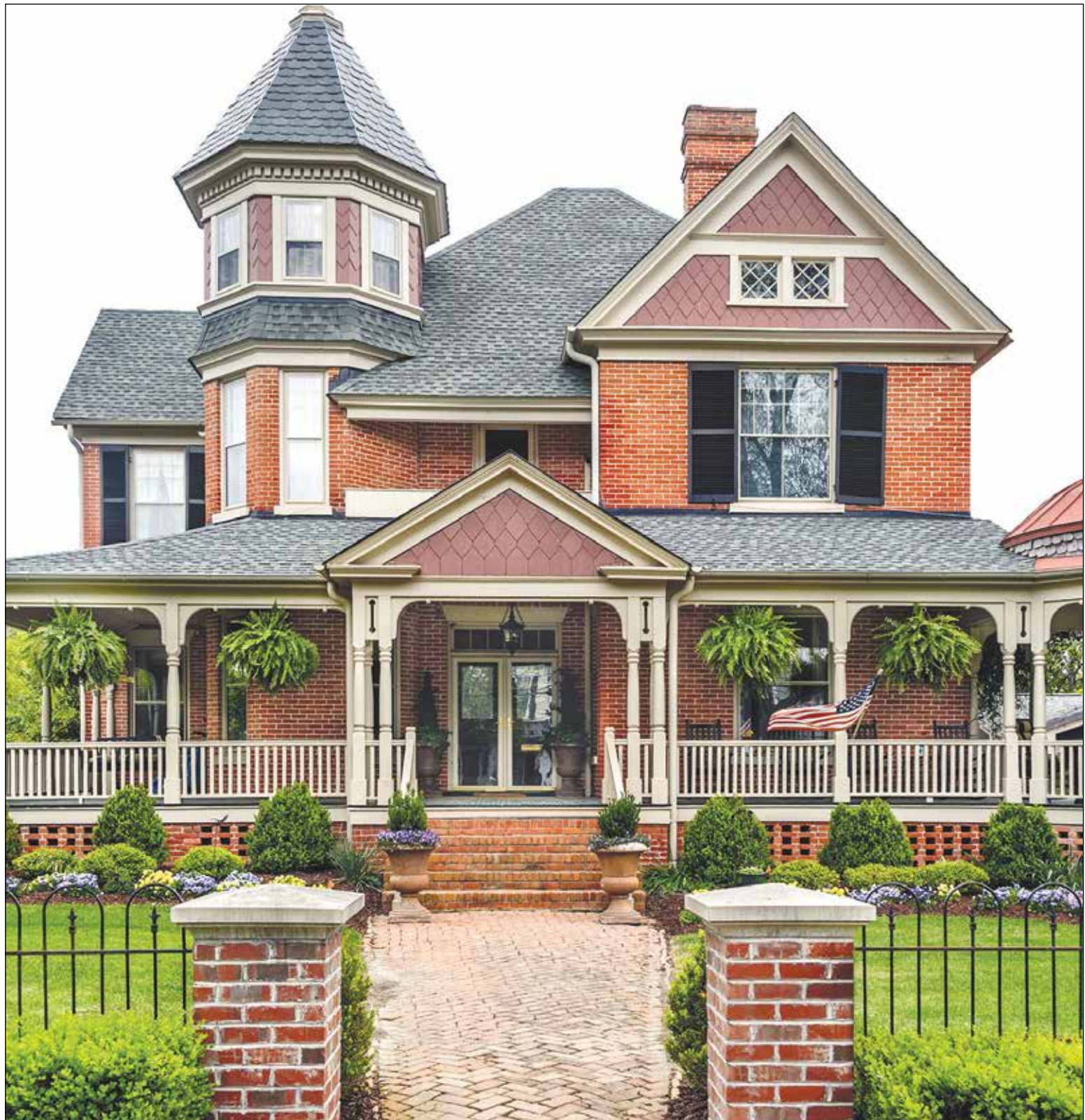
Owners, landlords and managers of rental property also play an important role in protecting the health of tenants and their children.

Federal law requires owners to provide certain important information about lead paint before a prospective renter is obligated under lease to rent the property.

FOR BUYERS

Federal law requires that before buying housing built prior to 1978, buyers must receive the following from the home seller:

- EPA-approved information pamphlet on identifying and controlling lead-based paint hazards
- Any known information concerning the presence of lead-based paint
- An attachment to the contract that includes a “Lead Warning Statement” and confirms that the seller has complied with all notification requirements.



Be a Smart Renter

While diligence is often highly recommended for landlords hoping to protect their investments, it can be just as crucial to a renter looking for a quality place to live.

The housing crisis has sent more renters than ever into the market, as the number of renters has increased to 33.6 percent from 31.6 percent in just four years, according to U.S. Census figures.

THINK LONG TERM

Most home or apartment rental agreements come equipped with a six- or 12-month lease requirement, meaning you should ensure your satisfaction with your new place. An early exit out of the contract could leave you financially liable for paying the remaining months' rent.

And payment issues aside, without the proper research you could end up living in a place with obnoxious neighbors, inadequate conditions or pest infestations.

So how do you make sure you're signing a contract for a place you'll be happy to rent?

DO YOUR RESEARCH

Follow this checklist of questions to ask the landlord:

- How much will my rent cost monthly?
- How much is the security deposit and when/how do I get it back?
- How many roommates would I be allowed to take on, if needed?

- What are your lease conditions? (Length, early-termination payment requirements, etc.)
- Where do I pay rent?
- Do you allow pets?
- Will I pay water, trash and electric bills?
- What are the average util-

ity costs for this unit or a similar one?

- Are there any parking requirements or restrictions?

TAKE NOTES

Asking the landlord specifics on payments and facilities

is a great start, but your investigating job doesn't stop there. Be vigilant in your walk-through and bring a notepad with you. Note all deficiencies you see, and be sure to check the water pressure, hot water, outlets, stove, heater and air conditioner.

You also should ask about pest control. Find out how often the unit is serviced and who is responsible for any infestation.

If you don't like any of the answers you receive, either opt out of the potential transaction or negotiate lower rent.



Housing Counseling

Are you stuck in a situation involving possible default or foreclosure? Maybe you just have some questions on how to get started buying a home. Knowing where to turn for help can ease your concerns.

The U.S. Department of Housing and Urban Development sponsors housing counseling agencies throughout the country to provide advice on these issues and more.

All counseling processes will be secure and confidential, helping you have confidence in full disclosure no matter what issue you are facing. Another benefit of seeking the services of a professional counselor is their expertise in specific areas, as well as the tools to help you successfully overcome even the most complex housing challenges.

COST OF COUNSELING

Foreclosure prevention counseling and homeless counseling services are available free of charge through HUD's Housing Counseling Program.

Agencies participating in the program are not permitted to charge consumers for these specific housing counseling services.

Housing counseling agencies are permitted to charge reasonable and customary fees for other forms of housing counseling and education services, including pre-purchase, reverse mortgage, rental and non-delinquency post-purchase coun-



seling services, provided the following conditions are met, according to hud.gov.

- Agencies must provide counseling without charge to persons who demonstrate they cannot afford the fees
- Agencies must inform clients of the fee structure in

advance of providing services

- Fees must be commensurate with the level of services provided

You should contact your local HUD office if you encounter housing counseling agencies that you believe are not complying with these

requirements.

HOW TO PROCEED

Along with reaching out to your local HUD office, there are many ways to pursue professional housing counseling.

The hud.gov website fea-

tures a search tool to help you find counselors in your area. You also can search for counselors with specific specialties, such as reverse mortgage or foreclosure.

HUD's interactive voice system (800-569-4287) also is available.