

# Your HOME

## HOME IMPROVEMENTS: A SMART INVESTMENT

**D**o you want to make your home more appealing to sell, or just want to spruce it up? Deciding how much time, effort, and money to invest in making improvements requires careful consideration before you start hiring contractors or doing the work yourself.

An improvement is anything that enhances the value of your home, prolongs its life, or adapts it to new uses. As a REALTOR®, I'm familiar with the homes in your area and their market value. I'm a great resource for determining what improvements could be the most advantageous, especially if you're planning to sell your home.

If you make too many costly improvements, your home could become overpriced for the neighborhood—you won't get a return on your investment and instead may lose money.

If you choose colors and designs based strictly on your own preferences rather than those that are neutral for mass appeal, your improvement may become a deterrent for buyers. You could do too much—or too little.

*As an experienced REALTOR® in your neighborhood, let me help you make improvement decisions. Give me a call and let's discuss how to make your home more appealing to you and potential buyers.*



### Get a Return on Your Improvement

A capital expenditure is the cost of an improvement. The money you spend can be added to your original cost basis. If you sell the home at a profit, these costs will reduce the capital gains tax you might owe.

**Note:** The IRS has new, more generous exclusions from tax on capital gain when you sell your home. Since tax laws are subject to change, keep all your invoices and cancelled checks.

IRS-approved improvements include additions, central air conditioning, deck, finishing a basement, landscaping new furnace, new roof, and new siding.

### FALL GARDENING

**F**all is a great time to plant bulbs, shrubs, and trees. These plants are beginning to go into their dormant state, and the soil temperatures are still warm compared to the air—an ideal environment for root development. It's also a great time of year to move any trees or shrubs that you want to relocate to a different part of your yard or to a new home.

There's nothing better for a garden than compost. Fall is a particularly good time to compost because just about everywhere you look there are leaves—they're made up of complex chemicals that once broken down provide plenty of nutrients for plants. Taking care of your landscape in the fall will help promote healthy plants and shrubbery in the spring!



## Questions I Am Often Asked...

**Q.** What is PITI?

**A.** Principal, interest, taxes, and insurance (PITI) are the four components of a monthly mortgage payment. Principal refers to the part of the monthly payment that reduces the remaining balance of the mortgage. Interest is the fee charged for borrowing money. Taxes and insurance refer to the amounts that are paid into an escrow account each month for property taxes and mortgage and hazard insurance.



**Do you know someone who is thinking about buying or selling a home?  
Please mention my name.**

*The information in this newsletter is solely advisory and should not be substituted for legal or financial advice.*

## ONLINE RESOURCES FOR HOME OWNERS

Home improvement information is available at your fingertips via the Internet. Check out these websites for decorating ideas, gardening and landscaping tips, maintenance checklists, and much more!

- [www.allabouthome.com](http://www.allabouthome.com)
- [www.doityourself.com](http://www.doityourself.com)
- [www.homeideas.com](http://www.homeideas.com)
- [www.improvenet.com](http://www.improvenet.com)
- [www.hometime.com](http://www.hometime.com)
- [www.housetime.com](http://www.housetime.com)
- [www.naturalhandyman.com](http://www.naturalhandyman.com)
- [www.soundhome.com](http://www.soundhome.com)

## ACHIEVE MORE WITH YOUR TIME

Do you feel that you spend your day in a frenzy of activity, but achieve very little? According to the Pareto Principle (the 80/20 rule), typically 80% of unfocused effort generates only 20% of results and the remaining 80% of results are achieved with only 20% of the effort. By concentrating on accomplishing a specific task, you can use your time more effectively and productively.

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