

Christine Estes



Connected... to meet your needs

"There is nothing wrong with change, if it is in the right direction."

— Winston Churchill

Dear Friend,

August 2008

Is your home ready for a change? Even if you aren't looking to spend a lot of money on a major remodel, there are many options that will give your home an instant facelift, probably make it more enjoyable for you to live in, and provide a good return on your long-term investment.

In this month's mailing, you will find a sampling of the hottest new trends in home design and remodeling. If you're not ready for an extensive kitchen remodel (which can return nearly 100% of your investment), a new lighting system or paint color can go a long way toward giving a lackluster room a fresh new look by accenting with interesting architectural elements for a modest amount of money. Many of you have heard me say that I always like it when you make these changes for yourself, rather than waiting and doing them to sell. Make and keep your home special *for you...* and those updates will serve you well 'whenever.'

In short, keeping your home well tuned and up-to-date is always a good investment! (And that's why next month we will share specific reminders about preventive maintenance that is always wise to do in the Fall...)

On the reverse side of the flyer, I've included a list of the home improvement projects with the best returns on your investment. There are also several easy ideas for drastically improving your home's interior and exterior for under \$50. In addition, HomeAnnex (www.homeannex.com) has included a great offer at the bottom of the page to help your remodeling project and budget.

And the market? Yes, indeed, summer is here and it is unpredictable. Looking at July over July, all of the King County numbers are down, but both Pierce and Snohomish are up! You'll find more on the web site. It may be interesting to note that, in this market especially, it is the homes updated and dressed to the nines, meticulously painted, prepped and presented that are selling. And because many of those sellers are dropping prices to get those buyers, they are truly pushing down the values of the properties that are not as updated.

Sincerely,

Always happy to help with resources and connections...if you know of someone who would appreciate the level of service I provide, please call me with their name and business number, and I'll be happy to follow up and take great care of them.

Save up to 55% off MSRP on our HUGE selection of home decor products.
PLUS, save an additional 8% off on your entire purchase.
Use Coupon Code HOME7790 at checkout. Offer expires 12/31/08

homeannex
outfitting the worlds finest homes
Redeem offer at www.homeannex.com

Featuring these fine products

Exclusively from
KOHLER. **MOEN**
Buy it for looks. Buy it for life.*

HomeAnnex offers 100% Satisfaction Guarantee, Powered by Assurrz. No Hassle Returns, Free Shipping.

Christine Estes 206-910-7926
Chris@TheChristineEstesGroup.com
www.TheChristineEstesGroup.com

Windermere
Real Estate

Windermere Real Estate Northeast, Inc.
11411 NE 124th Street, Suite 110
Kirkland, WA 98034

H O M E

t r e n d s

Across the country, homeowners are looking to upgrade their homes with purpose and style. Whether to increase value, add functionality or create a more enjoyable living environment, here are some of the latest trends . . .

architecture

The addition of more open, multi-functional space is in vogue. Great rooms with space-adding, multi-functional live/work zones have become popular.

The addition of more windows is also prevalent and opens the home up to the outside world. Homeowners are increasing their overall living space by building outdoor living rooms.



lighting

Lighting is being used to accent different areas around the house. Dramatic lighting fixtures as well as the kind of light used can have as big an influence on the look of a room as furniture or paint.

Mini pendants, track lighting and contemporary chandeliers have become popular room design elements.

Using in-ceiling lighting and mini-spotlights are also great ways to accent specific areas.

remodeling

Remodeling accounts for about 40 percent of all residential construction spending and about 2 percent of the U.S. economy. Since 2001, spending on home remodeling grew 40 percent and reached \$215 billion in 2005 alone.

Though often costly, major remodeling projects have typically provided a strong return on investment (ROI). A kitchen upgrade or room addition will recoup 80 percent of the cost within the first two years of construction and will continue to increase a home's value over time.

Natural siding, including wood and stone siding, has returned to prominence. New advancements make these surfaces more affordable and easier to maintain (e.g., vinyl faux wood paneling that will resist rotting, splintering and warping). Man made stone is more functional and less porous than heavy stone.

ROI

Here are 5 things to remember when you are looking for the best RETURN ON INVESTMENT.

1. **"Neighborhood Norm" Home Remodeling Projects—5 stars ★★★★★**
Concentrate on home improvement projects that fit existing neighborhood standards.
2. **"Appraisal Booster" Home Remodeling Projects—5 stars ★★★★★**
These are the livable space additions—a new office, extra bath, or a spare bedroom. They add the most value to your home.
3. **"Home Maintenance and Repair" Projects—5 stars ★★★★★**
Roofing, window upgrades, exterior painting projects and general repairs maintain the integrity of your home.
4. **"Curb & Home Appeal" Projects—4 stars ★★★★★**
Curb and home appeal projects, either outside or inside the home, are typically lower cost and create emotional appeal.
5. **"Lifestyle" Home Improvement Projects—2 stars ★★**
These single-purpose remodeling projects are important to the homeowner but do not add measurable real estate value.

i n n o v a t i o n s

Surfaces: Engineered stone is more affordable and less porous than granite. Reflective glass tiles are gaining popularity over traditional ceramic tiles.

Flooring: Bamboo is tougher and more eco-friendly than wood flooring, but beware that low-cost versions risk warping. Concrete slabs are now retro-chic, along with exposed brick or steel in walls. Cork has become a hip, durable and quiet floor.

Home Automation Systems: Household functions including lighting, climate control, personal computers, window coverings and home entertainment systems can be wired and controlled by a single on-site or off-site control system.

Garage Conversions: Flooring, enclosed walls, lighting and furnishings can add usable living space and still provide for storage. Purpose-specific spaces are also popular in other parts of the home.

Outdoor Trends: Drought-resistant landscaping and low-flow irrigation systems are in demand.

New artificial turf is difficult to distinguish from real grass. It saves water, requires little maintenance and is being installed on athletic fields and yards throughout the country.

The Best Return



on your REMODELING DOLLAR!

Top Cost vs Value 2007 | National Averages

Project	Job Cost	Resale Value	% Cost Recouped
Mid-Range			
Siding Replacement	\$9,910	\$8,245	83.2%
Window Replacement (Wood Casing and Frame)	\$11,384	\$9,241	79.3%
Minor Kitchen Remodel	\$21,185	\$17,570	83%
Bathroom Remodel	\$15,789	\$12,366	78.3%
Upscale			
Siding Replacement (Fiber Cement)	\$13,212	\$11,633	88.1%
Window Replacement (Vinyl)	\$13,479	\$10,913	81%
Siding Replacement (Foam-Backed Vinyl)	\$12,132	\$9,668	79.7%
Window Replacement (Wood Casing and Frame)	\$17,383	\$13,784	79.3%

* Data according to *Remodeling Magazine 2007*

Homes that lack features of other homes in the neighborhood tend to sell for less and stay on the market longer. Consider these things when remodeling your home and beware of over-improving your house to make it too expensive.



Projects today are reaping higher rates of return than in previous years. Look at the chart to the left; the best return on your money is spent on Siding Replacement, Kitchen Remodeling, Bathroom Remodeling and Window Replacement. Improving the appearance of your home and updating the most frequented rooms (kitchens and baths) will provide the most bang for your buck. When you don't overdo these projects, they will prove to be effective remodeling solutions.

Another wise investment includes adding a deck. It's a great way to increase your living space without major construction. By spending an average of \$10,347, owners saw a return of around 85 percent of the total cost of the deck. Professional landscaping makes a big impact on the appearance of your home and increases its value over time. Also consider doing several small projects instead of one large one. These will be easier to accomplish and enhance the home's style in many different ways.

CREATE A NEW LOOK for under \$50

exterior

- **Paint the front door.** You would be surprised at how much a bold, complimentary new door color will liven up the curb appeal. A freshly painted door will add instant impact to the front of your house.
- **Maintain your yard.** A poorly maintained yard leaves the impression of a home in disrepair. Keep your lawn in good condition, haul away any trash and mow, prune and weed whack your yard often.
- **Add exterior details.** A nice new mailbox, stylish address numbers and colorful potted plants are great, inexpensive ways to give your home a welcoming new feel.
- **Pressure-wash your home.** You may not need to spend a lot of money repainting your home's exterior. A good power wash will often have your paint job looking as good as new.

interior

- **Install new cabinet handles.** If you don't want to go through the expense of installing new cabinets, swap out old, broken or unsightly handles with handsome new replacements. It's easy and affordable.
- **Install new light switches and outlets.** New switches and outlets can usually be replaced using the same wiring. Having new faceplates gives the impression that new electrical wiring has been installed.
- **Wash walls and windows.** Just like the exterior paint job, you can often return the luster of an old coat of paint with a little elbow grease. Crystal clear windows will also improve the look of a home's exterior.
- **Paint the walls.** If you decide you want to update a room's color palette, the right shade can dramatically change the feel of a room. Sometimes just painting one wall or section is all that's needed.
- **Replace your molding.** An older room can be updated with some new molding, perhaps painted in an accent color, crisp white or natural wood tone.

Online Resources:

- **Remodeling Online** www.remodeling.hw.net
Useful guide to Remodeling, Tips, Information, Help
- **Home Remodeling** www.letsrenovate.com
Step-by-Step Guide to Remodeling
- **HGTV** www.hgtv.com
Help to Transform your Home with Inspiration & Instruction

Who is Eligible

- The tax credit of up to \$7,500 is available for first-time home buyers only.
- The law defines a first-time home buyer as a **buyer who has not owned a home during the past three years.**
- All U.S. citizens who file taxes are eligible to participate in the program.

Income Limits

- Home buyers who file as single or head-of-household taxpayers can claim the full \$7,500 credit if their adjusted gross income (AGI) is less than \$75,000.
- For married couples filing a joint return, the income limit doubles to \$150,000.
- Single or head-of-household taxpayers who earn between \$75,000 and \$95,000 are eligible to receive a partial first-time home buyer tax credit.
- Married couples who earn between \$150,000 and \$170,000 are eligible to receive a partial first-time home buyer tax credit.
- The credit is not available for single taxpayers whose AGI is greater than \$95,000 and married couples with an AGI that exceeds \$170,000.

Effective Dates for the Tax Credit

- First-time home buyers would receive a \$7,500 tax credit for the purchase of any home on or after April 9, 2008 (retroactive) and before July 1, 2009. To qualify, you must actually close on the sale of the home during this period.

Tax Credit is Refundable

- A refundable credit means that if you pay less than \$7,500 in federal income taxes, then the government will write you a check for the difference.
- For example, if you owe \$5,000 in federal income taxes, you would pay nothing to the IRS and receive a \$2,500 payment from the government.
- If you are due to receive a \$1,000 tax refund from the government, your refund would grow to \$8,500 (\$1,000 plus \$7,500 from the home buyer tax credit).
- Buyers can take the tax credit in their 2008 or 2009 tax return.
- If you purchased the home in 2008, the tax credit is taken on your 2008 tax return. If you buy in 2009, you have the option of taking the credit on your 2008 or 2009 tax returns.

Types of Homes that Qualify for the Tax Credit

- All homes, whether single-family, townhomes or condominium apartments will qualify, provided that the home will be used as a principal residence and the buyer has not owned a home in the prior three years. This also includes newly-constructed homes.

Payback Provisions

- The tax credit essentially serves as an **interest-free loan to be repaid over 15 years.**
- For example, a home buyer claiming a \$7,500 credit would repay the credit at \$500 per year. If the home owner sold the home, then the remaining credit would be due from the profit of the home sale.
- If there was insufficient profit, then the remaining credit payback would be forgiven.