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First-time Buyers Increase, Home Sales Climb Nationwide

First-time buyers represented 32 percent of the market in May, a 2 percent increase from April and a 5 percent increase from a year ago. First-time buyers haven't had this much of a presence in the housing market since September 2012. Unemployment is down among young adults, and many lenders are lowering their down payment requirements. These factors combined with more affordable mortgage insurance options are enticing many first-time buyers to leave their rentals and purchase homes.

Economists with the National Association of Realtors (NAR) believe that the number of first-time buyers in the market will continue to rise. The percentage of these buyers will depend, however, on how fast mortgage rates and home prices climb.



Fewer Investors

While first-time buyers saw opportunity in the improving housing market, investors saw fewer deals. Individual investors purchased just 14 percent of all homes sold in May, a drop of 2 percent from a year ago. For the third month in a row, all-cash transactions accounted for 24 percent of all homes sold, down from 32 percent a year ago.

Demand Exceeding Supply

In May, housing inventory was up slightly because more homeowners put their houses on the market. Total housing inventory rose 3.2 percent to 2.29 million existing homes for sale. The housing supply is 1.8 percent greater than it was a year ago. At the current sales pace, this level of inventory represents a 5.1 month supply. Despite the modest increase in inventory, demand still far exceeds supply. On average, homes in May stayed on the market for 40 days. This is the third shortest time recorded since NAR began

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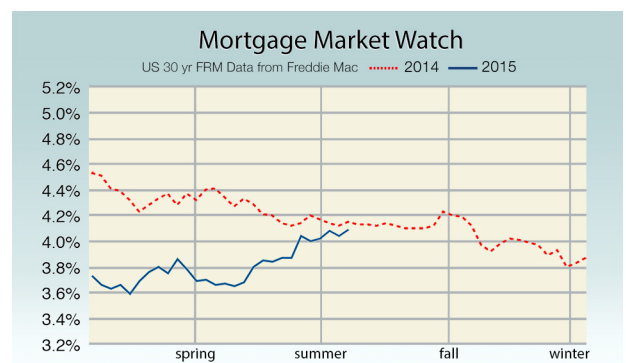
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tracking this statistic in May 2011. The inventory shortage led to an increase in home prices. So not only was May the 39th month in a row to record year-over-year price gains, but every region in the country saw home prices increase.

Sales Climb Nationwide

In May, all regions of the country experienced sales increases. The Northeast posted the largest gains with existing-home sales jumping 11.3 percent, for a total increase of 11.3 percent from a year earlier. In the Midwest,

sales climbed 4.1 percent month-over-month and an impressive 12.4 percent year-over-year. The South and West both saw an increase of 4.3 percent from April. When compared with May 2014, sales were 6.9 percent higher in the South and 9 percent higher in the West.



Remedy These Curb Appeal Mistakes Before Listing Your Home

When you put your house on the market, your home's curb appeal will often make or break a sale before potential buyers even step through the front door. Here are five common curb appeal mistakes you should change before listing your home for sale.

1. Poor Yard Maintenance

If your yard is overgrown, potential buyers will wonder what else you have neglected to maintain.

Dying flowerbeds or unkept shrubs and trees won't make a good first impression. Keep the lawn mowed and trim back the shrubbery. Take some time to spruce up your landscaping, or, if you don't have a green thumb, pay a professional to do the job.

2. A Full Driveway

It may seem like no big deal to you, but potential buyers will wonder why your car is parked in the driveway instead of in the garage. After all, if you don't have enough space to keep your car in the garage, then the house is probably lacking storage. Toys scattered by the front door or on the lawn also distract from the home's curb appeal.

Understanding the Earnest Money Deposit

An earnest money deposit is a check that's handed over with an offer to purchase a home. It's a "good faith" deposit, showing that the buyer is serious about buying a home and is ready to move forward with the purchase.

There's no set amount for an earnest money deposit. It can range from \$100 to 10 percent of the sales price, though, traditionally, it's about 1 or 2 percent of the



3. Bright Paint Colors

If your house stands out in your neighborhood because it's painted in overly bright colors, this will turn away a large

percentage of potential buyers. To improve your home's curb appeal quickly, paint the exterior in a neutral color. If you need inspiration, it's a good idea to check out the colors of the homes immediately surrounding yours and then pick out colors that match.

4. Signs of Neglect

If your home's paint is peeling off or the shutters are loose, you need to get a maintenance crew

to give your home a once-over before it goes on the market. Even if these issues are cosmetic rather than functional, buyers won't want to move into a house that will immediately require a lot of repairs.

5. Unkept Neighbors

Unfortunately, the way your neighbors care for their property is likely to influence yours—after all, no one wants to live next door to an eyesore. If a nearby house is ruining your curb appeal because their grass is too high, you can offer to help your neighbor clean up the yard to improve your chances of a sale. If the house or yard is in utter disrepair, you can report it to the city.

purchase price—enough to show that the buyer has some skin in the game. So on a \$250,000 home, you're looking at an earnest money deposit of around \$2,500.



Buyers' agents will try to minimize the earnest money deposit a buyer puts down. For sellers, however, bigger is definitely better. The buyer stands to lose the earnest money deposit if they pull out of the deal, so laying down a large chunk of cash shows that the buyer is fully committed to buying the home, financially tied to the property, and not looking at other homes for sale.

In multiple offer situations, the seller is likely to go with the buyer who puts down the largest earnest deposit, as it is a sign that the buyer is serious about closing the deal.

What Happens to the Earnest Money Deposit?

When a buyer wishes to make an offer on a home, he makes the earnest money deposit check out to the seller's agent or the title agent, and delivers the check along with the offer.

The seller's agent or title company takes the earnest money deposit check and deposits it into an escrow account. Most states have laws requiring the check to be deposited within a few days of the contract being ratified, that is, accepted by both the buyer and the seller.

The check sits in escrow until the deal goes into settlement. At closing, the earnest money deposit gets applied to the buyer's down payment or to his closing costs.

What Happens If There Is a Disagreement?

If the sale does not close for legitimate reasons, the buyer will get his earnest money deposit back. This most commonly happens when the contract contains a home inspection contingency, and the home inspection throws up repair issues that the buyer and the seller are unable to resolve. However, if a buyer voids a contract simply because he changes his mind, or he violates the conditions of the contract, the buyer will forfeit his earnest money deposit.

Earnest Money Deposit and Contract Contingencies.

The more contingencies a home offer contains, the weaker it appears in the eyes of the seller regardless of the amount of earnest money deposit the buyer puts down. That's because contingencies give the buyer a legitimate "out." If the buyer cannot fulfill a contingency, he can walk away from the deal and still get his earnest money deposit back.

How to Conserve Water in Every Area of Your Home

In the summertime, household water use spikes. The bathroom, kitchen, laundry room, and garden are all areas where water is often wasted. Here are some tips that will help you conserve water and also reduce your water bill.

The Bathroom

The shower, toilet, and sink can be huge water wasters.

- ▶ Wash your hands using cold water instead of hot water.
- ▶ Turn off the water when brushing your teeth.
- ▶ Install a faucet aerator.
- ▶ Invest in an efficient low-flow toilet.

The Kitchen

In the kitchen, washing dishes uses up the most water. Conserve water by investing in an energy-efficient dishwasher. These appliances actually use less water

than hand washing your dishes. In some cases, your city may provide assistance for purchasing energy-efficient appliances.



The Laundry Room

The laundry room can also consume large amounts of water. Conserve water by using the right settings for each load size. Invest in a high-efficiency washer. These appliances use much less water and still wash your clothes as well as low-efficiency models.

The Garden

- ▶ Water early in the morning because water evaporates faster in the afternoon. The best sprinklers for the job prevent evaporation by releasing water close to the ground.
- ▶ Adjust your sprinklers so they aren't wasting water watering the sidewalk.
- ▶ Landscape with drought-tolerant and native plants.
- ▶ Mulch around your plants to help the ground retain moisture.



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Inside This Issue

- First-time Buyers Increase, Home Sales Climb Nationwide
- Remedy These Curb Appeal Mistakes Before Listing Your Home
- Understanding the Earnest Money Deposit
- How to Conserve Water in Every Area of Your Home

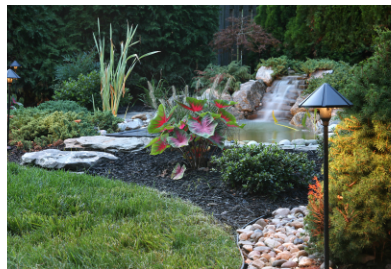
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Landscape Lighting to Brighten Your Summer Nights

Courtesy of Brandpoint



When the sun goes down, the right landscape lighting can turn any backyard into a stylish outdoor living space. With so many options, it's easy to fill your nights with light to enhance security, decor and entertainment.

Garden and landscape designer John Carloftis offers these simple tips to light up your nights:

- ▶ Keep your lighting simple. Start with one main lighting source and add accent lighting to highlight garden features. Don't over-light. It wastes energy, is costly and unappealing.
- ▶ For illuminating your entryway, deck and patio, use lighting that mimics moonlight, like new solar-powered lighting systems.
- ▶ Stagger path lights. Be creative.
- ▶ Skip the complicated wiring and costly electric bills by using new solar lights.

The latest high tech solar-powered outdoor lighting appliances come in styling that's durable and low-maintenance. They harness the sun's power by day, and when provided with enough light energy from the sun, last throughout the night.