

# YOUR HOME

MAY  
2009

TIPS AND TRENDS TO HELP MAXIMIZE HOME BUYING



## Grand Entrance

The word “mud” might not sound inviting, but a mudroom can actually be a welcoming — and useful — space. Mudrooms, which serve as a transition between the outdoors and the inside of a home, are traditionally found in cold, snowy climates as a place to change out of wet clothes and shoes. But, whether large or small, they’re ideal for houses in any climate. They can minimize cleaning (no tracking dirt through the house), maximize storage and help with organization. Whether you already have a mudroom or are thinking about creating one, consider:

**Location.** Off the kitchen or near the back door are the most popular locations for mudrooms, but garages and utility closets are also prime spots.

**Flooring.** This is the one place in the house where the floors are supposed to get dirty. Choose a durable, non-slip material — tile, stone, vinyl, laminate, concrete — in a dark color. And be sure to include a few doormats: a fiber or rubber mat to clean off shoes and an absorbent, washable rug to keep dirt from getting tracked in.

**Walls.** Surely they will get dinged and scratched and splashed, so choose coverings wisely. Vinyl wallpaper or an easy-to-clean, moisture-proof paint should do the trick.

**Seating.** Although you likely won’t be spending too much time in your mudroom, a place to sit is key. A sturdy chair or bench is useful for removing wet shoes or boots.

**Storage.** Choose organizing accessories based on the main purpose of the space and who uses it most. If it functions mainly as a staging area for adults, be sure to prominently feature coat and key hooks, as well as a place to sort mail. If kids are the main focus, include labeled storage bins and designated areas for backpacks and after-school activity gear, such as sporting goods. No matter how the room is used, it’s a good idea to include plenty of shelving and racks for shoes.

Sources: This Old House, Lowe’s

## A Lending Hand

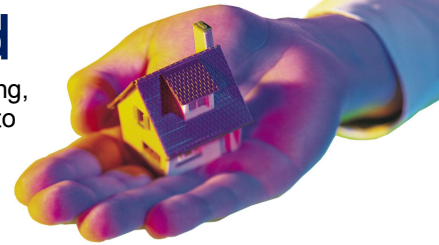
Home renovations can be daunting, but financing them doesn’t need to be. Homebuyers considering a fixer-upper and homeowners thinking about doing major rehab work might want to consider an FHA 203K loan.

Often called rehab or renovation loans, 203K loans differ from traditional mortgage loans. Buyers who want to purchase a home in need of repair usually have to secure a loan to buy the property, get additional financing to complete the renovation and then get a permanent mortgage to pay off the interim loans. 203K loans, however, are made based on the after-repair value and include an escrow account, in which the money is dispersed in draws as the necessary renovations are being completed.

Renovation loans can be used in three ways: to purchase an existing home (and the land attached to it) and renovate it; to pay off existing debt on a current residence and renovate it; or to purchase an existing property and move it to a new piece of land. The types of improvements allowed on 203K loans are extensive — painting, room additions, decks, bathroom and kitchen remodels, and even going green. Luxury items and improvements are generally not eligible.

Homebuyers need to work closely with their REALTOR® as well as a contractor to get a detailed statement about the extent and general cost of the rehab work and the expected market value of the property after the completion of the work. After finding a HUD-approved lender — not all banks administer these loans — and inspections and appraisals, the work can begin. For more information, go to [www.hud.gov](http://www.hud.gov).

Sources: Department of Housing and Urban Development, 203Kloan.net



## fast fact >> >> >> >>

Exterior home improvements, including wood deck additions and siding replacement, can return more than 80 percent of project costs upon resale.



Source: 2008-09 Remodeling Cost v. Value Report



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