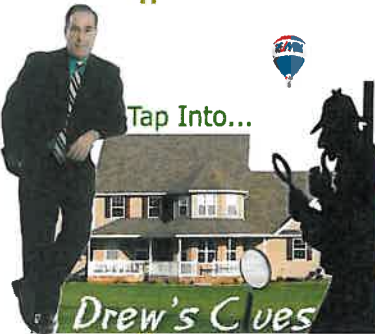


# Drew's Cues

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## Ask the expert: Timely Q&A's Relating to Real Estate



**Q. We would like to buy a house with good resale value so that we can upgrade down the road. How do we determine if the home we choose will increase in value within the next five years. We could buy a smaller house in a great location, or**

**much house in an OK location. Which is a wiser decision?**

A. It's like buying stocks. How do you really know which ones will increase most in value over the next five years? As with any investment, there are risks.

The most often quoted rule is that location is the most important factor. You want to make sure that the house does not back to busy streets and is as close to the interior of the tract as possible. Avoid corners and intersections. Choose the middle of the block or a cul de sac. You'll want to be sure it has at least two bathrooms (if you are buying in an older area).

**Q. Why should we use a real estate salesperson?**

A real estate salesperson is more than just a

"sales person." They act on your behalf as your agent, providing you with advice and guidance and doing a job - helping you buy or sell a home. While it is true they get paid for what they do, so do other professions that provide advice, guidance, and have a service to sell --such as Certified Public Accountants and Attorneys..

The Internet has opened up a world of information that wasn't previously available to homebuyers and seller. The data on listings available for sale is almost current - but not quite. There are times when you need the most current information about what has sold or is for sale, and the only way to get that is with an agent. If you're selling a home, you gain access to the most buyers by being listed in the Multiple Listing Service. Only a licensed real estate agent who is a member of your local MLS can get you listed there - which then gets you automatically listed on some of the major real estate web sites. If you're buying or



selling a home, the MLS is your agent's best tool. However, the role of an agent has changed in the last couple of years. In the past, agents were the only way home buyers and sellers could access information. Now agents are evolving. Because today's home buyers and sellers are so much better informed than in the past, ([See Page 2](#))

## Protect your retirement savings & stay healthy

- ◆ Stop smoking. Not buying cigarettes alone can add up to more than \$150,000 in savings during a 25-year period, taking into consideration health savings. If you avoid emphysema and cancer, your savings will be far greater. Medical treatments are expensive.
- ◆ Exercise to avoid high blood pressure and heart disease, Annual out-of-pocket health costs for a 40-year-old are \$606, according to Nationwide Better Health. If the condition doesn't get more expensive and you invest that sum over 25 years, income from the investment could provide more than \$35,000 a year.



### Ask the expert: Timely Q&A's Relating to Real Estate

agents must be stronger in their expertise and ability. The real estate agent is becoming more of a "guide" than a "salesperson" -- your personal representative in buying or selling a home.

**Q. What is a mortgage buy-down?**

A. This is a strategy used by sellers or buyers to help the buyer qualify for a mortgage. It is a lump sum paid at closing to the mortgage company to reduce the mortgage interest payments for two or three years. If the seller wants to pay to allow the buyer to be qualified, the seller pays for it. If the buyer has the cash but doesn't qualify for the payment at current interest rates, the buyer could



pay up front for the reduced interest rate that would be charged for two or three years.

**Example of a two-year buy-down:**

The home price is \$134,000, if the seller pays to have interest and monthly payments reduced by 2 percent in the first year and one percent in the second year, the seller would pay the buyer's mortgage company about \$4,000 at the closing.

**A detailed example of a three-year buy-down:**

From About.com: For a \$350,000, 30-year mortgage at 6.75 percent interest, the seller (or the buyer) could pay \$16,853 at closing.

The first year interest rate is 3.75 percent and the monthly payment is \$1,621 per month. This creates a first-year savings of \$7,790, considering that the payment would normally be \$2,270 per month.

The second year rate is 4.75 percent, creating a monthly payment of \$1,826

per month, or an annual savings of \$6,332 if the payment had been \$2,270. The third year interest rate is 5.75 percent, resulting in a monthly payment of \$2,043 per month or an annual savings of \$2,731. (In the 4th through 30th years, the normal payment is \$2,270.) Add up the savings, and you will find they come to \$16,853 in this case, which is what it costs to buy down the interest rate and payments for three years. There is one other advantage to the mortgage buy down: It increases the payment more gradually than introductory-rate mortgages on which the monthly payment increases dramatically after two or five years. Note: The 30-year interest rate in this example is higher than rates presently charged on most 30-year mortgages.



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How about Drew's Clues for Home Buyers?  
Don't buy or sell a home without reviewing them!



**Yardley / Langhorne**  
Beautiful Building Lots From  
\$314,900!



**Peake Farm**  
Ultra Fresh!  
\$599,900



**Newtown**  
Professional Office Space  
\$879,900



## About: HomesInBucksPA.com

My website, [HomesInBucksPA.com](http://HomesInBucksPA.com), makes a wealth of information available to those who are interested in buying or selling their properties or just keeping themselves informed about Real Estate in general.

It provides up-to-the-minute data about home values, current listings, home financing and many other topics. Here you will find a wide variety of useful information and resources designed to help you buy or sell a home more effectively in the Bucks County area.



From information on the local community, to advise about finding a mortgage or preparing your home to sell, it's all available here on my web site. Search for homes in Yardley, Langhorne, Newtown, New Hope, Washington Crossing & more! Search for your ideal home by viewing current listings with detailed descriptions and photos.

You can also get help determining the value of your home by signing up for my Market Snapshot Program. This is an automatic report sent to you via email that includes the prices of similar homes that recently sold, or are currently for sale in your community.

If you're like most buyers, a home is the most expensive purchase you'll ever make, and you'll probably need some form of financing. There are many lending institutions that offer a variety of mortgage products. Financing options and rates can vary widely, so it is important to discuss specifics with me so we can ensure you're getting the mortgage that best meets your needs at the very best rate and most favorable terms.

I would be happy to refer you to the best mortgage company I've seen. My favorite mortgage company, Federated Lending, steps up when no other company can! I will help you in any way I can to secure the best possible rate, with fair & ethical terms, for your home purchase.

There are many other features in Drew's Clues that will assist you in your real estate transaction, but the best way for you to get the result your looking for is by hiring me! So whether you're buying or selling, feel free to [contact me](#), and I will be happy to help you with all your real estate needs.

## Lawn mowing robots are great for the lazybones and the less-than-agile

Some look like a flying saucer gliding across a neighbor's lawn. Others look like a pooch-size gizmo that twists, turns, and is all-knowing about where the yard ends or the landscaping begins. It's not an animal or a saucer you see; it's one of the new robotic lawn mowers that caught your attention. Some can be programmed to silently clip the tops off of your grass every morning or whenever you want it done.

They have names like Automower, LawnBott, and RoboMow. Priced from about \$1,000 or so to \$3,500, the best models can climb hills, run up to four hours at a time and mow more than an acre of grass.

At \$2,500, the LawnBott Evolution boasts lithium-ion batteries that give it a longer runtime without recharging. It climbs hills up to 27 degrees. For a thousand dollars more, LawnBott will sell you a mower that has a Bluetooth remote control so you can guide it while sipping iced tea on the patio. But it will also run entirely on its own.

Experts quoted in Smart Money recommend models with tilt and touch sensors. They stop the blades in less than a second if, for example, a dog or a child gets too close.



## What an innovative idea!



**Peake Farm**  
Completely Upgraded  
\$634,900



**Morris Meadows**  
4 BR—New Construction  
From \$309,000





**RE/MAX**  
advantage

**Drew Ferrara**  
Your Bucks County Realtor!

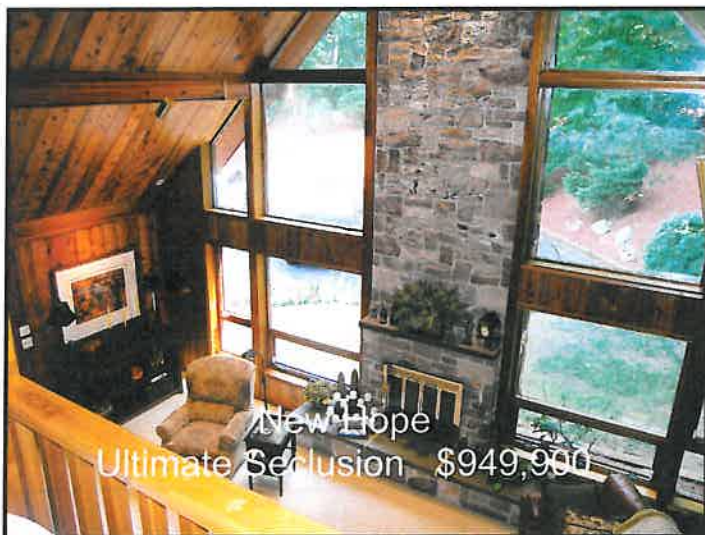
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New Hope  
Ultimate Seclusion \$949,900

Sophistication & country informality are skillfully blended in this very secluded, custom designed Lindal Cedar home. Ideally situated on 5.8 acres at the top of Jericho Mountain, this extraordinary residence offers a rare combination of rustic charm and tasteful elegance in a unique, extremely private setting, complete with multi-level decking, a sparkling in-ground pool, and lower level entertaining area.



Makefield Road in Yardley  
\$835,000

Welcome to this architectural gem sitting in the midst of large, unique estate homes along the very prestigious Makefield Road. This sprawling colonial with 3 fireplaces built in 1970 has only known one owner. Long established trees & an old-world lantern light the way to this tremendous home which offers over 4,200 square feet of high-end finished living space on over an acre

**Best Wishes from Drew Ferrara for a  
Safe, Healthy, Happy and Sunny Summer Season**