



MAY 2021

Whether you own a home or are looking to buy or sell one, here are some useful tips, ideas and advice. When you're ready to make your move, give me a call or drop me a line.

**FINANCIAL ADVICE**



**THE FIVE-YEAR EQUITY RULE**

When you buy a home, plan on staying there for approximately five years. Why? You'll need *equity* in order to sell the home without losing money.

Equity is your percentage of ownership VS how much the bank owns. With any mortgage loan, the first few years of payments go more toward paying interest than reducing your principal. To build enough equity to sell at break-even or a profit, you'll have to recoup closing costs and fees as high as 14% in some areas. To build equity over time, do the following:

**Put more money down.** If you put 20 percent down, you're in good shape, but if you put down 3.5%, 5% or 10%, it will take longer to build equity, so be patient.

**Pay your mortgage on time and in full.** Paying principal builds equity. The more months you pay, the more equity you'll build.

**Make additional mortgage payments.** You can add an extra \$50, \$100, or any amount per mortgage payment. This will also help you get rid of private mortgage insurance or allow you to refinance to a PMI-free loan once you reach 22% equity.

**Let time and the housing market work for you.** The housing market typically rises one to two percentage points above inflation annually, but if you're lucky, your home may gain much more value than that.

Building equity takes time, money and luck, which is why following the five-year equity rule will help you plan when to sell your home.



Berkshire Hathaway HomeServices Towne Realty  
**Jennifer Dawn**  
 Realtor  
 757-524-0417  
 jennifer.dawn@bhhstowne.com  
 jenniferdawnrealestate.com

**HOMEOWNERS' ADVICE**



**PUT A STAKE IN VAMPIRE ENERGY USE**

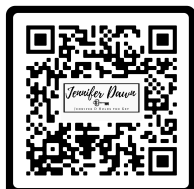
Many telecommuters notice their utility bills are dramatically higher. It makes sense if you're using more lamps, cooking more, and using office equipment at home. You can check your thermostat, plug air leaks, replace worn insulation, and turn off lights when you leave the room, but there are other reasons your energy bills are higher.

According to the U.S. Department of Energy's Berkeley Lab, the typical American home has 40 products constantly drawing power, amounting to almost 10% of residential electricity use. Products such as air conditioners and microwave ovens can't be switched off unless they're unplugged, which means they're drawing power 24/7. This is called *standby power* turning appliances with external power supplies, remotes, battery chargers and continuous display (LED) into energy-sucking vampires.

It's impractical to unplug every lamp from every socket you're not using, but if you're leaving the charger in the wall, unplug it when you unplug your laptop. Get into the habit of unplugging electronics you're not using frequently such as guest room televisions or cordless vacuum cleaners. If you need to replace an appliance such as a refrigerator, look for one that's certified Energy Star, which is manufactured to need less standby power.

EIA.gov explains that electricity consumption varies in predictable patterns. Use is higher during summer and at certain times of the day. Utility companies charge more for "peak time" electricity use, so if you started telecommuting in the summer and working between 7:00 a.m. until 11:00 p.m. on weekdays, you'll notice higher bills.

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