

Your Broker:



Rob Cassam

# September 2020

# REAL ESTATE Update



The right real estate advice makes ALL the difference!

## Is Now A Good Time To Buy Your First House?



ask yourself.

### Do you have job security?

For many of us right now, it's hard to know what the future holds. But if you are in a profession that has some level of job security and you're currently in a rental, you might want to consider making a move. "If you're secure in your job and you've got some savings it's actually not a bad time to buy," said Consumer Reports. "There are going to be opportunities that probably didn't exist even just a few months ago."

### Do you have down payment funds?

Depending on your mortgage, your down payment could be 3% of your loan or 20%. That means coming up with thousands of dollars. If you don't have the funds on your own, consider alternate means, like a family gift or an assistance program. With mortgage rates so low, it may also make sense to dip into your retirement funds.

### How about those closing costs?

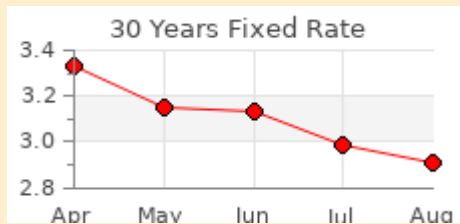
"Average closing costs for the buyer run between about 2% and 5% of the loan amount," said NerdWallet. "That means, on a \$300,000 home purchase, you would pay from \$6,000 to \$15,000 in closing costs."

### How's your credit?

"Your credit score determines whether a mortgage lender will give you a loan at all, as well as the rate. A low credit score can result in a significantly higher interest rate, which means that you will pay thousands (or hundreds of thousands) more over the life of the loan. Typically, you need a credit score above 720 in order to get the most advantageous rates," said MoneyCrashers.

## Mortgage Rates U.S. averages as of September 2020:

30 yr. fixed: 2.91%  
15 yr. fixed: 2.46%  
5/1 yr. adj: 2.91%



## Can You Use Unemployment Income to Help Qualify?



As the economy is still being impacted by the Coronavirus, unfortunately many across the country are unemployed. Fortunately, most unemployed are covered by unemployment insurance. For those thinking of buying a home while being recently laid off, what to do with that unemployment income? Can it help someone qualify?

In short, no. At least in most cases. Why not? Primarily because it's how lenders calculate and verify income. First, lenders ask for a two year history of receiving income from a job. When lenders begin documenting a loan file, borrowers can expect to provide the last two years of W2 forms or if self-employed, the last two years of income tax returns. These two years fulfill a lending requirement of having at least two years of verifiable income from a steady source. Second, the lender must make the determination that the income is likely to continue into the future, sometimes as long as three years. If you're unsure about using unemployment income to qualify for a mortgage, call your loan officer and get your questions answered for your individual scenario.

## Is a Home Office the New Must-Have?



Working from home was a trend that was already picking up significant steam before the coronavirus pandemic. Now, as more people around the world work from home than ever before, it could be impacting everything including real estate.

Early on in the pandemic, a Houzz survey found that 55% of homeowners said they have a home office, while a quarter of respondents said they work primarily from their kitchen or dining room table. Eleven percent said they work from their sofa. The same survey said the biggest challenge they were facing as they started working from home was finding a place in their home that was quiet and private enough to work, away from high-traffic spaces. Twenty-five percent also said creating a comfortable workspace was a big challenge for them.

The National Association of Home Builders (NAHB) conducted their own preference study, "What Home Buyers Really Want." According to their results, both prospective and recent home buyers want a home office. In fact, their most recent survey was in 2018, and even then, before the pandemic, 65% said they wanted a home office.

Having a home office might even be a tax deduction if you have your own business, or if you're an employee who qualifies for said deduction, which is one more reason it might be a must-have on the modern buyer's list.

Working from home will likely have a significant impact on real estate, from the locations where buyers are moving to the list of priorities they use when selecting a new home.



Equal Housing Opportunity

Rob Cassam, CCIM BROKER MBA REALTOR  
E-mail: [rob@charlotteNCproperty.com](mailto:rob@charlotteNCproperty.com)  
Website: <http://www.charlotteNCproperty.com/residential>  
Toll Free: 800.587.4066  
Office: 704.442.1774 ext.100  
Fax: 704.442-8841

Carolina Realty Advisors  
704-442-1774  
1001 East Blvd. Suite B  
Charlotte NC 28203

Your Broker:



Rob Cassam

September 2020

# REAL ESTATE Update



The right real estate advice makes ALL the difference!

## Décor Tips To Help You Through Stressful Times By Connie Adair

You've cleaned and disinfected your home and have taken a few trips to the dump with the fruits of your decluttering frenzy. Yet your home feels more cramped and tired than when you started the quarantine. You feel frustrated and stressed.

With cooler weather and more indoor time around the corner, now's the perfect time to plan your attack. There are lots of smaller things you can do to make a big difference. And it doesn't have to cost a lot.

At the end of the day, it's all about function, says interior stylist Red Barrinuevo of Redesign4more in Toronto.

How has the way you use your home changed during these challenging times? What purpose or purposes do you need each room to serve? Reassess each space to see what works and what needs to be improved. Determining the function is the jumping off point, he says.

What furniture do you need to meet everyone's needs? Curate the existing room and remove anything you don't need. You can put items in storage for future use if you're not ready to toss them.

If you need furniture, shop your home first and see if you can repurpose something from another room. For example, a bedroom dresser can serve as a media console in the living room or as a server in the dining room. In the kitchen, it can provide extra storage space (maybe a place to stash craft supplies, schoolwork or baking supplies).

Take an extra easy chair, a lamp and a small table and create a quiet place to read or work in the corner of a bedroom, a nook or bay window space.

If it's a room used primarily for gathering, do you need to add more seating to accommodate those in your bubble?

Think about furniture layout to maximize your space. Before you move the actual furniture, measure larger pieces and tape off the measurements on the floor so you know how much space each item will take. If it's a couch, for example, make sure there's enough room for a coffee table or enough room to walk around furniture.

One way to create a focal point is to gather up family photos from around the house (removing small clutter will make a room feel larger) and create a gallery wall. Or print travel photos and frame them to create a statement wall. If you have matching frames, that's great, he says. But the frames don't have to match. "Placement and commonality of subject, such as travel, kids, family, makes it work. They don't have to match; they have to go together."

For an immediate refresh, paint the walls and trim. Neutral wall colours, such as light grey or off white, are a great way to make a room look cleaner and tidier, Barrinuevo says. "Paint walls with an eggshell finish. Paint the doors, trim and baseboards glossy white. This frames the wall and makes it more of a feature. White trim can also make windows look bigger."

For anyone who doesn't like neutrals, he says, "Choose a colour that makes you happy since you'll be seeing it every day." Paint can also be used to upcycle mismatched furniture and give the space a more polished look. In the bedroom, mismatched night tables (they should be the same height) can be painted or stained to match.

Another easy trick: move curtain rods up as close to the ceiling as possible to give the impression of a higher ceiling and a more spacious room.

Consider proportions. Make sure artwork isn't too overwhelming for the space, and that furniture isn't too big or too small. In a condo, he suggests using low-profile furniture, with a maximum 35-inch height on the back of the sofa and chairs so sightlines aren't blocked.

The reward – a more functional, beautiful and calm space. Your work will be worth it.

Rob Cassam, CCIM BROKER MBA REALTOR  
E-mail: [rob@charlotteNCproperty.com](mailto:rob@charlotteNCproperty.com)  
Website: <http://www.charlotteNCproperty.com/residential>  
Toll Free: 800.587.4066  
Office: 704.442.1774 ext.100  
Fax: 704.442-8841

Carolina Realty Advisors  
704-442-1774  
1001 East Blvd. Suite B  
Charlotte NC 28203

  
Equal Housing Opportunity



Your Broker:



Rob Cassam

September 2020

# REAL ESTATE Update



The right real estate advice makes ALL the difference!

## How Buyers Can Navigate a Seller's Market By Ashley Sutphin

Most analysts would say that currently, we are in a seller's market. The summer of 2020 has been an interesting time. While the coronavirus has negatively impacted much of the economy, real estate has been surging. Much of this is likely due to the low interest rates, hovering below 3%. There are other factors too, including pent up demand following strict lockdowns during the spring, and for some people, there's a focus on moving to the suburbs and away from bigger cities.

If you want to buy, there are a lot of factors in your favor right now, but also challenges because it is what you would characterize as a seller's market. In June, the median home price nationwide rose to \$295,300, which was in part not only because of the factors named above but also because of low inventory.

Also, while we've talked a lot about unemployment over the past few months, we have to consider that many people didn't lose their jobs. In households where people stayed employed, they may feel like they're financially secure enough to buy a home. Sellers are finding that they're getting multiple offers and offers well above ask. So what can buyers do during this time?

### Be Decisive

If you're going to jump into a seller's market headfirst, you're going to have to be decisive. Time is critical in these situations, and sometimes getting the home of your dreams is as simple as being first.

If you want to see a home that goes on the market, don't wait until the weekend for a showing. Try to get a showing as soon as you can, or if that's not possible, do a virtual showing.

Along with being decisive and ready for what's coming, choose a great real estate agent. You don't want a real estate agent who you're playing phone tag with during a seller's market, because you're losing precious time. You want someone sharp and responsive.

### Submit a Clean Offer

During a seller's market, it's not a good idea to give an offer with contingencies. This might actually mean the difference between offers for a seller. A seller might be more interested in finishing things up quickly rather than getting a higher price for their home.

If you can give up some of the traditional contingencies, then a seller might think your offer is more appealing because these provide you with chances to back out. You can still protect yourself, even without contingencies. For example, maybe you get your loan completely underwritten. This means you go through the full loan process before you make an offer.

### Let Go of Perfection

The inventory is really limited right now, and demand is high. This makes it even less likely that you're going to find the perfect home, and that's okay. It's sometimes better to buy a good home and then make it perfect rather than waiting for perfection to hit the market. There's a very strong chance that even when inventory expands, there still won't be a perfect home.

### Be Disciplined with Your Budget

When bidding wars are possible, and things are competitive among buyers, it's easy to get carried away. You may get so emotionally attached to a house that you're willing to go well beyond your budget. Emotions are also heightened when you're buying a home anyway. Set a budget, and don't let yourself go above it, no matter what the other offers may look like. Sure, offering too much may get you the house, but it's going to create financial stress for you for years to come.

### Offer More Earnest Money

Earnest money is something like a deposit and you provide it alongside your bid. It's a way to show the seller you're serious, but if the deal doesn't go through you can get that money back. Usually, you'll see buyers offering around 1%, but during a hot market, think about offering more. It shows that you're more invested in the deal and less likely to let it slip through your fingers.

If you have the option to pay with cash, that's almost always going to win you favor. Cash offers take out the element of financing contingencies, and they make for a simpler transaction, which is beneficial for buyers. A cash buyer also tends to be more serious, and when you buy with cash you're not beholden to the lender through the closing process.

Finally, if you do enter the market and find that it's not working for you, or maybe you're nervous about the prospects, consider waiting. It's easy to get carried away even in a buyer's market. A seller's market can be even more likely to lead you to make a poor financial decision. Of course, it's tough to time the market, but if you do have some flexibility in when you buy, consider holding off.

Rob Cassam, CCIM BROKER MBA REALTOR  
E-mail: [rob@charlotteNCproperty.com](mailto:rob@charlotteNCproperty.com)  
Website: <http://www.charlotteNCproperty.com/residential>  
Toll Free: 800.587.4066  
Office: 704.442.1774 ext.100  
Fax: 704.442-8841

Carolina Realty Advisors  
704-442-1774  
1001 East Blvd. Suite B  
Charlotte NC 28203



Equal Housing Opportunity

Your Broker:



Rob Cassam

September 2020

# REAL ESTATE Update



The right real estate advice makes ALL the difference!

## Keep Calm: How to Answer Lender Questions By David Reed

The loan approval process is indeed exactly that: a process. From the initial application submission all the way to the settlement table and beyond, there are many different steps that are taken. From the borrower's point of view however, things get pretty quiet after submitting the application and providing the needed documentation. It wouldn't take much to imagine a loan file just sitting on someone's desk waiting to be looked at. But that's not what's going on at all. There are different people working on different aspects of the submitted loan. An appraisal is ordered. Credit reports and credit scores are requested. Title insurance policies are generated.

Things get pretty quiet for the borrower during this time but in reality, the wheels are turning. Once the file is ready for a review, the completed loan package is delivered to the underwriter. The underwriter is the person making sure the submitted loan meets the guidelines established for the requested loan program. Generally, this mostly means the underwriter goes down the approval checklist and signing off on them one by one.

After about two weeks in and a bit of silence on the borrower's end, a voicemail is left. The lender called and has a couple of questions. Uh oh. What now? What did they find? Is there something I don't know about? Are they turning down my application?

For the uninitiated, this might cause a bit of consternation. But from the lender's point of view, it's perfectly common. When a loan is first submitted it is digitized (if it isn't already) and electronically submitted through an Automated Underwriting System, or AUS. Within a few moments after the submission, a list of "findings" is sent back. These findings are sometimes referred to as loan conditions. For example, the findings ask for the most recent paycheck stubs covering a 30 day period. Or maybe some updated bank statements are being asked for. In general, and at this stage, the loan has essentially been preapproved and all that is needed is some follow up paperwork. Credit documents within the file need to be less than 30 days old. Most often these requests are simply to get the loan file in compliance with these findings.

The takeaway is essentially that once these findings are produced, the loan begins the documentation process. In other words, the borrowers and the lender know in advance whether or not the loan will make it to the settlement table. Because of the AUS findings, if there are some things that are amiss, they're taken care of at the beginning of the process. The only time a loan does get a preapproval but is later derailed is due to some things discovered that weren't known at the time of application. But in general, most loans do in fact close with few if any problems.

But it's the voicemail that the lender left that can bring a bit of pause. The trick to answer lender questions is very simple: answer them. At this point the lender isn't still deciding whether or not to approve your loan application but instead just filling in any paperwork gaps needed to get the closing papers to the settlement table. If there is a recent late payment showing up on a credit report, a lender might want an explanation letter. The response? Just describe what happened. Many times, the response is "I don't know how that payment is showing a late" or some such response. There's no need to get creative with a lender question, just answer and move on. In all likelihood, it's a harmless request. So, pick up the phone and return the call.



Equal Housing Opportunity

Rob Cassam, CCIM BROKER MBA REALTOR  
E-mail: [rob@charlotteNCproperty.com](mailto:rob@charlotteNCproperty.com)  
Website: <http://www.charlotteNCproperty.com/residential>  
Toll Free: 800.587.4066  
Office: 704.442.1774 ext.100  
Fax: 704.442-8841

Carolina Realty Advisors  
704-442-1774  
1001 East Blvd. Suite B  
Charlotte NC 28203

Your Broker:



Rob Cassam

September 2020

# REAL ESTATE Update



The right real estate advice makes ALL the difference!

## 5 Tips for Creating the Perfect Zoom Room

*By Jaymi Naciri*

Whether you're working from home and need a great backdrop for video calls or your kids will need a spot to nail virtual learning, it seems everyone wants to know how to create the perfect Zoom space right now. Here are some tips to help.

### Show off your bookcase

"If you've been collecting hundreds of books for your bookshelf, now is your time to shine," said Vishion. "Show off your collection with a little style. Take off those dust jackets and incorporate the many colorful book spines in your design for an understated, yet visually pleasing background. Neatly stack the books by color or go full maximalism with a random assortment of titles."

### Consider a change of scenery

Perhaps the spot where you currently have your home office set up isn't the best spot for a Zoom call. There's no reason you can't have one spot to take periodic zoom calls and another to get the rest of your work done during the day.

Or, maybe you need to rethink where you have your home office altogether. When's the next time anyone's going to use that guest room, anyway?!

### Change your point of view

Who says you have to have your desk up against a wall, with a wide-open view behind you. Maybe flipping your desk around so the view from your camera is toward the wall of bookcases or the painted, pretty wall is a better option for video calls.

Don't have a great-looking background? No sweat! Check out the virtual backgrounds on Zoom. "Users can upload their own images (Zoom recommends that these images have an aspect ratio of 16:9 and a resolution of 1920 x 1080 px) and preview the virtual background to detect any issues before joining the meeting," said Zoom.

### Get the angle right

Make sure your camera is at the right height and angled properly so you look your best on video calls. You can always raise up your screen or put your laptop on a stack of books, if need be.

"Have you ever seen someone take a selfie with the camera pointed down at them? It might look weird, but there's a good reason for the technique," said Vishion. "If you feel like you're looking a little goofy on your video call, it could be how you're sitting and where your computer is positioned. Having your camera at eye level and positioned far enough away, is key for creating the perfect video conference call and eliminating an unwanted double chin."

### Make sure you—and your space—are well-lit

"The Zoom app doesn't have a low light mode," said TechRepublic. Because of this, you need to be in a room with plenty of lighting, be it natural or artificial."

The Verge recommends you, "Open up your shades and let the natural light pour in, but don't let all that light hit your back." The main light source should be "either right in front of you or no more than 45 degrees away from directly in front of you. Also be aware that your screen can be a large source of light, so adjust your screen brightness, too, especially if you are taking a call without natural light. A bright screen can blow the highlights on your face out, making you look more like Casper the Ghost than a video calling champion."

You can also avoid half your face being in shadow by adding a lamp close to your face, and keep in mind that if you sit with your back to the window, "the camera will expose for the light and make you into a silhouette," said USA Today. "Instead, flip it, and face the window, which will give you soft, people-pleasing light."

Rob Cassam, ,CCIM BROKER MBA REALTOR  
E-mail: [rob@charlotteNCproperty.com](mailto:rob@charlotteNCproperty.com)  
Website: <http://www.charlotteNCproperty.com/residential>  
Toll Free: 800.587.4066  
Office: 704.442.1774 ext.100  
Fax: 704.442-8841

Carolina Realty Advisors  
704-442-1774  
1001 East Blvd. Suite B  
Charlotte NC 28203



Equal Housing Opportunity