

TALKING | REAL ESTATE

**BERKSHIRE
HATHAWAY**
HOMESERVICES
KATHY REID REALTY

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Whether you own a home or looking to buy or sell one, here are the latest Good To Know articles for when you're ready to take the next step in finding your Forever Home.

HOMEOWNERS, INVESTORS, MORTGAGE LENDING, TRENDS



How to Convert Your Home into an Investment Property

Renting out an existing home and buying another property is an attractive option—if you play fairly with your lender. Some loans aren't available to investors, such as FHA and VA-guaranteed loans which are only for owner-occupants. Investment property loans require larger downpayments and charge higher interest rates.

You can buy a home with owner-occupied financing and turn your home into a rental with little risk of penalty if you do the following:

- Occupy the home for at least 12 months. Frequent applications for owner-occupied financing will cause suspicion.
- Use the same mailing address as the property.
- Give your lender a logical explanation such as moving closer to family, if you have other, nicer properties, but seek owner-occupied financing for a lesser quality home.
- Don't refinance your owner-occupied home to pull out equity to use as a down payment on the next home and then finance your next home as an owner-occupant unless you intend to actually occupy the home for 12 months or more.

Trying to buy a property while hiding the fact that it's a rental could result in your loan being called due.

TRENDS, HOMEBUYERS, FINANCE



Market Dynamics Ignite a Surge in New Home Interest

Homebuyer frustration with lack of supply, bidding wars, and offers over list price in the resale market are encouraging homebuyers to regard new homes more favorably. Even though new home construction is typically more expensive than similar existing homes, homebuyers are flocking to buy them because the costs and benefits between existing homes and new homes have all but disappeared.

According to [NewHomeSource.com](https://www.newhomesource.com), homebuyers get numerous benefits, including: the ability to choose the finishes; a "honeymoon" period when everything is new; builder-supplied warranties; energy-efficient heating, ventilation, and cooling; and the latest in design, construction techniques, and in-home automation.

In the overheated market of the past few years, shopping for a home has become wearisome to homebuyers, including some buyers' remorse caused by unexpected issues with the home, too much maintenance and upkeep, and too many compromises simply to get into a home.

Don't visit builders or model homes without your Berkshire Hathaway HomeServices network professional, so they can negotiate for you.



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