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Union Title Chatterbox

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Phone (402) 323-1888 * www.uniontitle.com

Your 1st Home? Save for Repairs

It's crucial to save for a rainy day if you're a homeowner. (How else would you get your leaky roof or dead furnace fixed?) Plus: Home maintenance tasks.

By: Liz Pulliam Weston
MSN Money

A good friend just bought her first house. When I suggested she put her \$8,000.00 first-time buyer's tax credit into a savings account for home repairs and maintenance, though, she waved away my advice.

"Oh, I won't need that," she assured me. "The house has been inspected, and everything is fine."

That sound you just heard? It was the collective groan of millions of experienced homeowners. We know a house can be an expensive proposition at best and ruinous at worst. The variety and scale of costs are often far more than first-time buyers can imagine.

Now, you might be fortunate, like "Your Money message board poster [grumpyoltroll]," who budgets \$100.00 a month for home maintenance and sets aside another \$100.00 a month to pay for big future repairs. The latter savings have yet to be tapped.

"I guess we have been really lucky," grumpyoltroll wrote, "or our preventive maintenance program has paid off in the 12 years we have owned this house."

Or you might be at the other end of the scale, like poster "whippets," whose problems began with a flooded basement, right after moving in. Another leak required a \$7,000.00 fix, including new drywall, and then there was the problem with the septic system, and the air conditioning that needed to be replaced, and the bad wiring in the kitchen, and on and on.

"By the time we moved 2 years later, we added up all the bills and came to a total of \$36,000.00," whippets wrote. You're not out of the woods if you live in a condo, co-op, townhouse or other shared-expenses situation. Yes, you pay a monthly fee to cover the maintenance costs of common areas, but that doesn't mean you won't face additional assessments if something major goes wrong and your homeowners association doesn't have adequate reserves to cover the bill.

How to cope? Here's what you need to know:

A Home Inspection is just the starting point

A competent inspector can alert you to obvious problems and give an expected life span for a house's components, including the roof, siding, water heater, and heating and air-conditioning systems.

Using the home-inspection report, you can start to prioritize what needs fixing when and start saving for down-the-line expenses, such as replacing the roof.

An inspector cannot, however, see through walls or predict every problem that could affect your home.

Your costs will vary

When I asked National Association of Home Inspectors President David Kolesari how much it costs to replace a roof, he asked me, "How much does it cost to buy a car?" His point: You can spend a few hundred bucks or tens of thousands of dollars. It all depends on your standards and, with homeownership, how much of the work you're willing and able to do yourself.

My experience has been that most big jobs—roof replacements, heating and air-conditioning replacements, re-piping and repainting—seem to cost somewhere between \$3,000.00 and \$6,000.00.

One of the best ways I've found to estimate repair costs is to use "Angie's List", a subscription site that includes member reviews of an array of services. I pick contractors with a lot of reviews and high ratings, then read the individual reviews, which usually include details of the job's scope and cost.

Budget for maintenance

If you don't take care of your house, minor problems can blossom into major repair bills. Good maintenance doesn't come cheap, however.

"You can expect to spend anywhere from a couple thousand dollars to more than \$10,000.00 per year, depending on the size and condition of the house, on general maintenance," said Ilyce Glink, the author of "100 Questions Every First-Time Home Buyer Should Ask". "Some years it will be less and some more.

Keeping up with the maintenance will be easier and less costly than if you wait for a small problem to grow exponentially bigger."

Glink cites the example of her friend Alice, who had to have almost an entire wall of her home replaced after a tiny roof leak went undetected.

Your maintenance costs will depend on the age, size and condition of your home, as well as the climate. Some of the tasks you'll want to include:

- Conducting annual inspections of the heating, ventilation and air-conditioning systems.
- Replacing those system's filters once a month or as needed.
- Making annual chimney inspections.
- Cleaning and repairing gutters.

- Doing regular inspections of paint, caulk and masonry for deterioration.
- Repainting the home and trim (every 5 to 15 years, depending on climate and quality of materials).
- Maintaining the septic system (if you're not on a sewer system).

Budget for appliance replacement

Most household appliances have a useful life of somewhere between 10 and 15 years, according to Consumer Reports, although some, like trash compactors, tend to wear out faster.

And, once again, how much you'll pay can vary widely. You can buy a Consumer Reports-recommended range for as little as \$500.00 or spend \$10,000.00 on a Viking. A \$26.00 annual membership at Consumer Reports will give you access to the site's vast storehouse of reviews and estimated costs for various appliances so you can better plan for this expense.

Don't count on credit alone

Having adequate savings to cover maintenance and repair costs is particularly important these days, when credit can be hard to come by. A few years ago, most buyers could instantly open a home equity line of credit to pay for repairs. These days, even buyers who put 20% down may have trouble tapping their equity.

If you do have sufficient equity, though, you should think about getting a home equity line to supplement whatever savings you're building. That's because disaster can strike before you're ready to pay for it.

You should know that many insurance policies require you to pay for any covered repairs and then submit the bills for reimbursement. Poster "HoneyBBQ" had to cover a \$15,000.00 repair bill after Hurricane Ike separated a roof from a wall, allowing 6 inches of water to pour into her living room.

"My insurance settlement did pay \$13,000.00, (but that) came later," HoneyBBQ wrote. "I had to pay cash up front (which is) more and more reason to have an (emergency fund) if you live in a disaster-prone area like I did."

UTC Cooking Corner (favorite recipes from Union Title employees)

Breakfast Casserole

Submitted by: Linda Diaz

Ingredients:

- 1/2 to 1 stick margarine or butter
- 1 lb. hash browns
- 12 eggs
- 1 c. milk
- 1 lb. Meat (ham, bacon, sausage, etc.)
- 1/2 to 1 c. shredded cheese

Directions: Melt margarine or butter in a 9 X 13 pan. Spread Hash Browns over the melted butter. Mix the eggs with the milk. Pour over hash browns. Crumble the meat over the egg mixture. Sprinkle shredded cheese over the top and bake for one hour in a 350° oven.



Winter Driving Tips

- Winterize your car— Change oil and filter, check battery, check fluid levels, tire pressure, all exterior lights, check belts and hoses, check wiper blades
- Keep a small bag or back pack in the trunk of your vehicle, containing a first aid kit, jumper cables, flashlight and extra batteries, handi-wipes, ice scraper, small shovel, pen and paper, small roll of duct tape, blankets, warm cap, gloves/mittens, bottled water, snack items, deck of cards (entertainment purposes)
- Keep your gas tank at least 1/2 full to minimize condensation, and provide an extra margin of comfort and safety just in case of delays.
- Stay Alert!—Stay off of cell phone while driving, clear all snow and ice from windshield and all windows, drive at a safe and legal speed and never drive while tired or under the influence.
- Buckle Up!