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Platinum Group is offering a complimentary *First Time Home Buyers Class* on February 16th and the 21st at 6:30 pm at Platinum Group, 116 E. 11th, Hays. You can signup by going to platinumgroupshays.com or call them at 785-621-4663.



The Self-Made Millionaire: Not Buying a Home is the Single Biggest Millennial Mistake

CNBC Kathleen Elkins 1/2/2017

While opponents of homeownership claim it's "the American nightmare," self-made millionaire David Bach is doubling down on his faith in real estate. He thinks that not prioritizing homeownership is "the single biggest mistake millennials are making."

Buying a home is "an escalator to wealth," he tells CNBC.

Young adults in particular aren't hopping on this escalator, and it's a costly mistake, Bach warns: "If millennials don't buy a home, their chances of actually having any wealth in this country are little to none. The average homeowner to this day is 38 times wealthier than a renter."

The self-made millionaire is quick to say that the smartest investments he's ever made have been the three homes he's purchased. He tells CNBC: "I first bought a home in San Francisco. It skyrocketed in price. I moved to New York and bought another home. It skyrocketed in price. My net worth has gone up millions and millions of dollars, simply because I've lived."

Bach argues that you have to live somewhere for the rest of your life, so you might as well invest in a home that spend half a million dollars or more on you could own permanently.

As he writes in "The Automatic Millionaire," "As a renter, you can easily rent over the years (\$1,500 a month for 30 years comes to \$540,000), and in the end wind up just where you started — owning nothing. Or you can buy a house and spend the same amount paying down a mortgage, and in the end wind up owning your own home free and clear!"

If you want to get in the game of homeownership, start by crunching the numbers, Bach says: "Actually do the math. Look and see what things costs, starting with the smallest options. This way, you're really clear on your goals and you won't just say to yourself, 'I'll never afford this.'" A good rule of thumb is to make sure your total monthly housing payment doesn't consume more than 30 percent of your take-home pay. He also recommends having a down payment of at least 10 percent, though more is always better. Finally, recognize that "oftentimes, buying your first home means you're not buying your dream home," Bach tells CNBC. "You're just getting into the market."

A lucrative market, that is. "In fact, you aren't really in the game of building wealth until you own some real estate," Bach writes.

1. Roof

Roof issues are responsible for 39% of homeowners' insurance claims, according to the National Roof Certification and Inspection Association. If the roof of your for-sale home is approaching the end of its typical life span — 20 to 25 years for shingles — replacing it (or getting a certification that it's in great shape!) could get you to the closing table faster.

2. Gutters

"While you may need to wait for inclement weather to realize your return on investment, a mere 30 minutes of routine rain gutter maintenance could prevent thousands of dollars in damage to the foundation of a home," says Than Merrill, former host of A&E's Flip This House and CEO of FortuneBuilders. If you outsource this chore, expect to pay \$3 to \$9 per foot.

3. Doors and windows

Expect buyers to open and close doors and windows. A stuck window or creaky door is a quick fix for a seller but could be a red flag to buyers who want a well-cared-for home. Replacing windows can bring a 50% to 80% return on your investment, but if they're not stuck shut, some sellers would be better served to bump this down a few notches on their must-do list.

4. Appliances

Most buyers recognize that they can easily buy a new fridge, but if most of your appliances look as if they belong on That '70s Show, buyers may wonder what else needs replacing. Meanwhile, if you're planning to take your refrigerator with you when you move, make sure that's mentioned in your sellers' disclosure.

5. HVAC

A well-maintained system can last up to 25 years, but an aged one could be a point of concern for buyers — and costly to repair or replace on the fly for a seller who doesn't want to lose a sale. "If your existing system has been in place for more than 10 to 15 years, it's likely that you'll soon need a new one. It becomes an area that a potential buyer will most likely use to negotiate a lower price," says Phil Eby of Eby Exteriors in Akron, PA.

6. Termite

Termite infestation causes more than \$5 billion in damage to U.S. homes each year, and sellers are typically required to disclose it. Adding a termite warranty from a remediation company can give your buyer peace of mind. But be warned: The presence of termites can often be a deal breaker.

7. Foundation

Cracks in walls or a foundation are often a sign of larger problems. Be prepared to fix structural problems before your house hits the market, or have a plan in place for repairs if a buyer balks after an inspection.

8. Radon

Radon is a naturally occurring, carcinogenic, radioactive gas that's formed from the breakdown of uranium. It's found in rocks, soil, and water. To put in perspective just how dangerous radon can be, consider this: Smoking is the number one cause of lung cancer — radon is number two.

Bonus: A too-high listing price

Pricing your home too high could ultimately cause your house to miss out on the right buyer, stay on the market longer, and bring in a lower price than the market supports. "Determining the best asking price for a home is one of the most important aspects of selling a home. If your home is listed at a price that is above market value, you will miss out on prospective buyers," says Chase Michels of Brush Hill Realtors in Downers Grove, IL.

