EQUITY SMART REALTY INC.

EMPOWERING EQUITY SMART INVESTMENTS

26 Court Street, Suite 701, Brooklyn, NY, 11201
Tel: 718-596-3234 | Fax: 718-222-3153
Website: www.equitysmartrealty.com

Are You Equity Smart?

... see page 3

REPRESENTATION FOR RESIDENTIAL REAL ESTATE

WHY USE US!

1. Understanding your unique property
2. Review of your real estate agreements
3. Negotiation of the best terms for you in the agreements
4. Explanation of the purchase contract and mortgage documents
5. Correspondence with the seller's attorney
6. Communication with the title company
7. Correspondence with the mortgage company
8. Obtaining the necessary title work
9. Review of mortgage commitment
10. Review of title commitment
11. Preparation for closing
12. Resolving all disputes before closing
13. Representing you at your successful closing

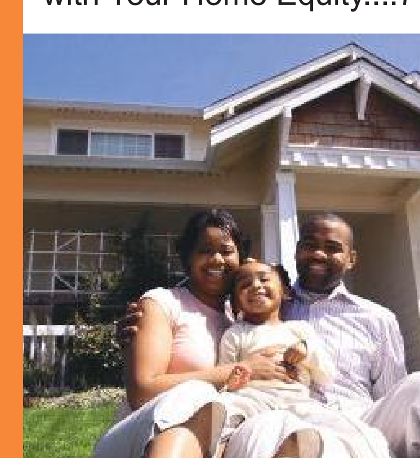
EQUITY SMART REALTY
EMPOWERING EQUITY SMART INVESTMENTS

Phone: (718) 596-3234
Fax: (718) 222-3153
Email: info@equitysmartrealty.com
Website: www.equitysmartrealty.com

26 Court Street, Suite 701
Brooklyn, NY 11242

CALL US TODAY AT 718-596-3234

INSIDE:



Thinking About Selling? 3 Reasons You'll Absolutely Need a Great Real Estate Broker

Whether you're familiar with the market or you've never sold a home before, an effective real estate broker can be exactly the thing you need to make for a positive market experience. With the world of real estate in a constant state of flux, here are a few reasons why the right broker can successfully guide you through the muddled waters of the market.

A Skill for Communication

In case the real estate market makes you nervous, it's particularly important to have the kind of broker who will keep you in the loop and give you the information you need to make an informed selling decision. A broker with the powers of communication will be able to give you honest advice when it's required, like if it's time to lower the price of your house, so that you can have success in achieving the offer you're looking for.

A Willingness to Work Hard

There are many brokers out there who won't be willing to put in additional effort for a client, but the kind of broker you'll want to choose should be someone who is a go-getter and will chase potential business for you. Instead of waiting around, an ideal agent should be following up with potential buyers and ensuring that they're chasing any leads that may guarantee the purchase of your home. If you have to ask them to be proactive, they're probably not the right person for the job.

A Bevy of Client References

A real estate broker that is worth their salt should not hesitate to provide you with client references so you can make an informed, educated decision. Instead of asking for their personal references, though, request the names of their last ten clients as this should give you a pretty good grasp of what their capacities as an broker are, and how they will serve you. If they are cagey about providing references, you'll want to move on to your next potential broker.

The real estate market is rife with a lot of things to know and it can be complicated to jump into the tides, but the right broker can actually make the process of selling your home a lot less stressful. If you're currently looking for a home and are not sure where to turn, you may want to contact one of our real estate professionals for more scoop on the market

Equity Smart Realty (ESR) specializes in a customized marketing strategy tailored to each seller's individual needs. Our goal is to bring you the highest offer in the shortest amount of time. Our experienced team have successfully marketed and sold residential properties throughout New York City. ESR assists buyers in locating and purchasing-properties in the following areas: Brooklyn, Queens, Staten Island, Manhattan, Bronx and other counties in New York State. Schedule an appointment today. Call 718-596-3234. ■

Understanding How Home Equity Works and Why Buying a Home Can Be Your Best Investment

When delving into the world of real estate and investment property, there are many terms that will come up that require further explanation. Whether you've never heard the phrase 'home equity' before or you have a little familiarity, here are the ins and outs of what it means and how this asset can help your financial outlook.

All About Home Equity

Essentially, home equity refers to your portion of the value of your home, and the amount of this figure is important because it is included among your assets when determining your net worth. If this sounds confusing, think of it this way: if you have completely paid off the cost of your home, the value of your home equity is this total amount. Of course, because most people seek a lender to borrow money from when they purchase a home, their home equity would consist of their down payment and whatever amount they've paid down on the mortgage since purchase.

An Example of Home Equity

To provide further clarification, let's use the example of a house that has been purchased for $300,000. In the case that a down payment of 20% has been provided at the time of purchase, the equity in the home would be $60,000. Since this amount is the percentage and cost of the house that's been paid down, this is the amount of the house that is actually owned and this will be figured among an individual's assets.

How Home Equity Works

As you pay the amount that you owe on your home each month, you are paying off your total debt and thereby increasing your equity. Since this amount of money is considered an asset that belongs to you, it can be used down the road to buy another home or invest in other important things like education or retirement. While paying off the amount owed on a home is a considerable investment, if the value of your home increases, this means that you'll still owe the same on it but your home equity will have automatically increased.

As an asset that is part of your financial net worth and can be used down the road to fund other investments, home equity is a very useful term to know when it comes to purchasing a home. If you're on the market for a home and are considering your options, you may want to contact one of our local real estate professionals for more information. ■

It's Your Investment: How to Be a Smart Buyer

Choose an independent lawyer who will protect you in the biggest investment of your life. Your attorney should protect your interest, not the commission of the broker. You have signed a real estate contract which represents the largest financial transaction of your life. Did your attorney review that contract? Your attorney, not an attorney the broker forced on you, because the house of your dreams would be sold if you did not sign now. Beware of the broker and the attorney he may recommend to you.

Negotiations and Inspection

Real estate brokers and their sales agents are working for the seller not for you. Their commission depends on the price they sell the property for. The higher the price; the higher the commission. Therefore, it is in your best interest to negotiate intelligently. You are best prepared to negotiate if you know the market; do some research on property prices in the neighborhoods you would like to live in. Remember, the smaller the amount you borrow, the less interest you have to pay over the life of the mortgage loan.

After you have concluded negotiations, but before you sign the contract, have a professional home inspection completed. That inspection should answer questions like these:

* What needs to be repaired at your property?
* What's unsafe or causing rapid costly damage?
* What are the priorities of repairs?
* How should repair priorities be adjusted for your circumstances?
* What repairs involve significant costs?
* What are the biggest risks of hidden damage?
* What are the repair alternatives? Who should perform them?
* What further investigations are most appropriate?

Once these questions are answered, you now have the opportunity to renegotiate a better price or walk away from the transaction since you did not sign any contract. It is better to lose a couple hundred dollars on an inspection than thousands of dollars later on.

Contract Terms to Understand

* Right to Inspection, Condition of Real Estate.
* Earnest Money
* Financing Contingency
* Home Inspection (As discussed above)
* Home Sale Contract Contingency (You have a house to sell)
* Home Sale Closing Contingency (You must close first)
* Possession
* Prorations
* Survey
* Time is of the essence
* Title Insurance - Title insurance will pay for defending against any lawsuit attacking the title as insured, and will either clear up title problems or pay the insured's loss. For a one time premium, an owner's title insurance policy remains in effect as long as the insured, or the insured's heirs retain an interest in the property, or have any obligations under a warranty in any conveyance of the property.

Closing Costs and Other Issues

Before you close on the house, you should have a final walk through inspection, and ensure that any repairs requested have been made and that items which were there are still there. Some of the costs associated with a closing are: statutory costs, transfer taxes, recording fees for deeds, other state and local taxes, pro-rated taxes, attorney fees, title search costs, homeowners insurance, application fees, appraisals, points, adjustments, etc.

Important, before the closing, understand the types of ownership of real property that are possible: joint tenancy, tenancy by the entirety or tenancy in common. Understand these terms before you go to the closing.

Are You Ready to Refinance Your Mortgage? Learn How to Do a Quick Refinancing Self-Assessment

Whether you've decided to renovate your home or you would like to consolidate your debt, refinancing your mortgage can be an option in times of money trouble; however, it's important to know whether or not this is the right step for you. If you've been considering refinancing recently and are wondering how to come to a decision, here are some questions you should ask yourself before wading into the water.

Do You Have the Extra Time?

It may sound silly, but looking into the details of financing your mortgage can take up a lot of time, and if it's going to be stressful or tax your abilities too much, you may want to hold off until things change. Because there are so many details associated with refinancing, and the security of your largest investment hangs in the balance, it's important to have the time to research and understand all the small stuff so you don't fall victim to a bad loan or confusing mortgage terms.

What's My Interest Rate?

It's entirely possible that refinancing may not be worth it if you can't get the interest rate you're expecting, so don't be taken in by low rates you may have come across. Because many unreliable lenders will offer the lowest rate to get your business, it's a good idea to do the research and go with someone you can trust. Your credit score and financial standing will have a lot to do with the rate you qualify for, but if the interest isn't as low as you've calculated, it may not be a beneficial financial decision in the end.

Will This Help My Financial Situation?

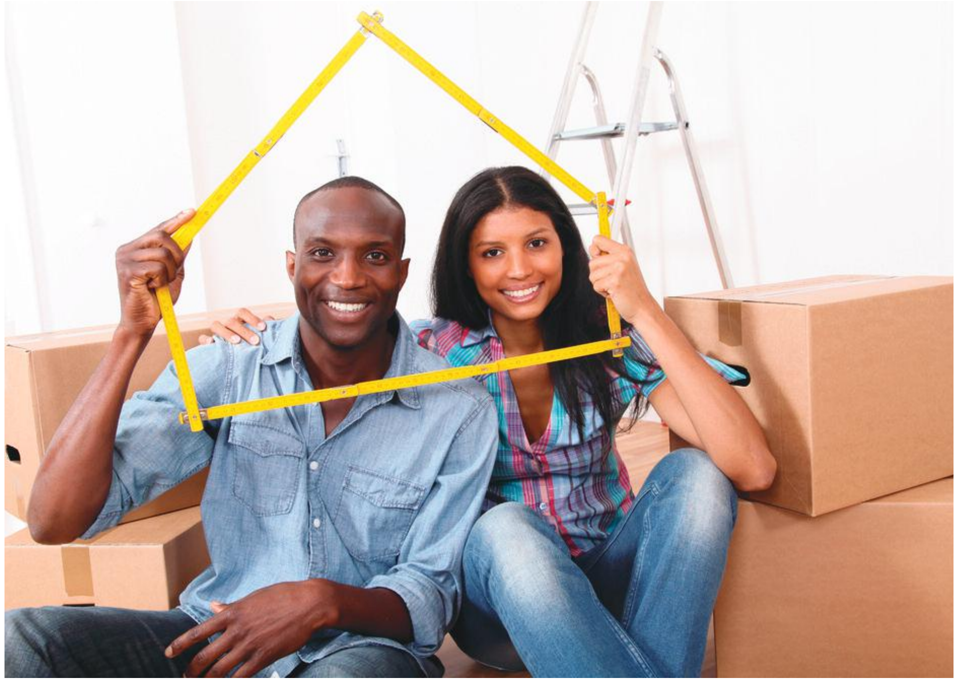
No one decides to move forward with a mortgage refinancing without thinking that it's a good financial decision, and that's why it's so important to carefully weigh all of the variables before deciding refinancing is for you. From a job loss to a home relocation, there are many things that come up in life that we are not always financially prepared for, so make sure to consider as many possible pros and cons as you can before moving forward with this option.

Many people think that refinancing their mortgage will improve their financial situation and eliminate their debt, but it's important to consider all of the outcomes of this choice before coming to any final decision. If you're currently considering refinancing, you may want to contact one of our mortgage professionals for more information.

Owning vs Renting: Why High Rents Are Worse than a Mortgage Long Term

If you're at the stage in life where home ownership is nearly within your reach, you're probably wondering whether you should start looking for a home or whether you should just keep renting. Renting is easier, people say, and it gives you more mobility. But over the long term, all that rent money can really add up – and it eventually reaches a point where buying a home is a better deal.

So why is paying a high rent a worse option than buying a house and getting a mortgage? Here's what you need to know.



Renting Doesn't Generate Equity

One of the single biggest sources of wealth in the United States is home equity – as you pay down your mortgage, you invest more and more of your money into your property, and it appreciates in value. When you eventually sell that home, you make a profit. The monthly payment is something you'd have to make anyway, whether you rent or own — but when you rent, your monthly rent money lines someone else's pockets, while when you own, paying down your mortgage actually creates wealth for you.

Renting Doesn't Give You Access to Home Owner Tax Credits and Deductions

There are all sorts of tax benefits available to home owners that renters simply can't access. As a home owner, you can deduct your mortgage interest from your taxes owing, reducing your taxable income — but there's no such deduction for renters. You can also deduct property taxes and some closing costs when you buy a home — there are no corresponding tax benefits for renters.

There are also several tax credits available to home owners that aren't available to renters. Things like renovations or simply buying a home for the first time can give you tax benefits that renters can't access.

If You Can Muster Up a Down Payment, Owning Is Cheaper in the Long Run

One of the biggest hurdles keeping young people out of the real estate market is the down payment. It's not easy, but if you can save up enough money for a down payment, you're actually better off buying a home than continuing to rent.

According to Trulia, the median home price in metro Houston in Texas is just under $163,000, while the median monthly rent for an apartment is $1,550. That means renting would cost $18,600 per year, while buying a home (assuming a 20% down payment and 30-year term) would cost $9,384 per year in mortgage payments. In other words, owning is about half as expensive as renting in the long run.

Renting may be a good short-term solution, but over the long haul, owning is almost always better. Call a local mortgage professional to learn more.■

3 'Must Know' Pieces of Advice for First-time Home Buyers

When delving into the realities of home ownership, there can be many factors involved that make it difficult to determine what you need to know and what can wait until later. If you happen to be a first-time buyer who's looking for the best tips for purchasing a home, look no further than the following three pointers to set you on the right path.

Get Familiar With Your Credit Score

If you haven't looked at your credit report for a long time, it can be a daunting task to request this information. Fortunately, your credit report is free from AnnualCreditReport.com and it will prepare you for what lenders are going to see. By taking this important step, you will be able to determine any delinquent accounts or balances owing that have gone to collections, and hopefully have these cleaned up before they can become a problem for your mortgage.

Determine The Price You Can Pay

While you may have a price in mind for what you're willing to pay for a home, it's important to determine your debt-to-income (DTI)ratio before putting in an offer. Your DTI ratio can be determined by taking your total monthly costs, adding it to what you would be paying for a home and dividing it by your monthly gross income. If it's a housing price that will work for you, this amount should equate to less than 43%.

Organize Your Housing History

If you have a good history as a tenant, the next step will probably be the easiest of all, but it's very important in order to prove you're a responsible candidate for home ownership. Once you've acquired a Verification of Rent from any applicable landlord in the previous year, you'll want to ensure that you have money in the bank. While RRSPs can make a good impression, make sure you have liquid assets available so you can convince the lender your home investment is manageable.

There are a lot of things to know when it comes to buying a home, but if you're a first-time buyer the most important thing is to ensure that your finances are organized and that you're not diving into more house than you can afford. By taking the time to determine your debt-to-income ratio and looking into your credit, you can ensure a positive first-time buying experience. If you're wondering about homes for sale in your area, you may want to contact one of our local real estate professionals for more information.■

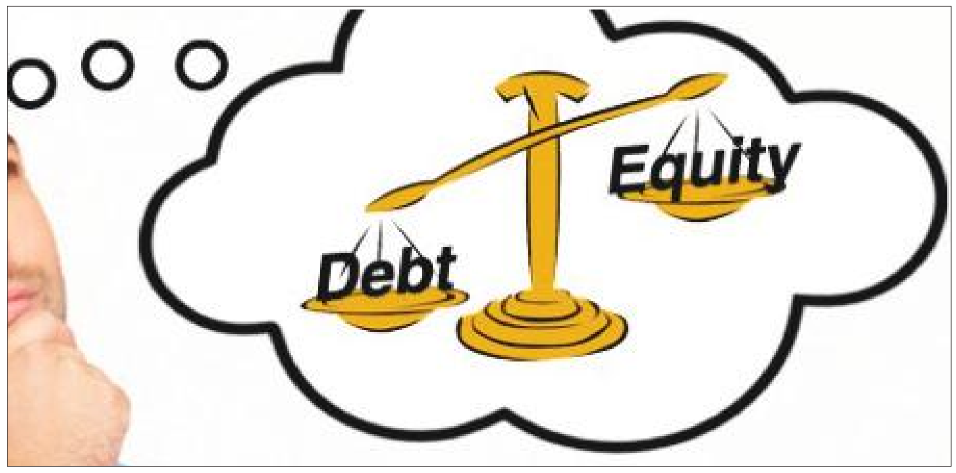
Financing Your Business with Home Equity

Though many business owners at some point tap into home equity as a financing source, you need to determine whether this strategy is right for you.

First, you should know the basic difference between the two primary kinds of home equity debt. A home equity loan is a one-time lump sum that is paid off over a particular amount of time with a fixed rate and number of payments. A home equity line of credit—also known as a HELOC—works more like a credit card because it has a revolving balance. Interest is due on the outstanding balance and that rate may vary over time.

As long as your home has appreciated in value, there will be a bank or mortgage broker who wants to loan you money in the form of either a home equity loan or line of credit right up to your credit limit. It's in their best interest because they make more money that way. Yet just because you qualify for a home equity line doesn't mean you need to use it, particularly as a bank for investment purposes.

Quite a few things need to go your way for you to use your home equity line effectively. While home equity loan interest rates may cost you less than borrowing from other sources, such as a bank or even from a brokerage account, you still need to be very careful and perform your due diligence.



To borrow home equity effectively, you need stable interest rates and rising home values. In other words, this strategy works best during a strong economy. It's up to you and/or your team of advisors to determine the pulse of the local and national economy.

Even if you're operating in a strong economic environment, many financial planners would tell you that if you need to borrow from home equity, you may not be in the strongest financial position to make an investment in the first place.

Here are the things you should discuss with a trusted financial advisor before tapping into your home equity:

■Will your investment deliver a greater after-tax return than you'll be paying for the loan?

■Does your home equity loan or line carry an adjustable rate? If so, a jump in interest rates may make what you owe even more expensive and further offset any gains you make in your investment. If rates fall, it's good news, but given current conditions, it makes sense to be cautious.

■How much is property appreciating each year in your neighborhood on average? Is it enough to further offset the cost of your investment? Keep in mind that no one is predicting the type of double-digit property appreciation we saw before 2004.

■How will this loan work for you from a tax perspective? Keep in mind that interest on home equity loans is generally not tax-deductible if you aren't using the debt to buy or renovate a property.

■What if you need your home equity borrowing power later for an emergency—the real reason most of us should open a home equity line and then avoid using it? Could you handle that emergency if your borrowing was strained to the maximum?

■How liquid is this investment? If you had a sudden major expense, could you turn it into cash without major hardship?

■How much other debt do you have? Do you have significant balances on credit card or auto debt? That may raise the rate you pay on your loan—another potential cut in your investment profit potential.

■From a cash flow perspective, will you be able to service the debt—make the loan payments—assuming your investment using the home-equity funds doesn't work out?

Home equity is a good option for many important financial goals, but you have to balance risk against potential reward. In many cases, it's good to hold home equity in reserve for a real rainy day.■

Source: www.entrepreneur.com

EQUITY SMART REALTY
EMPOWERING EQUITY SMART INVESTMENTS

NEW YORK SALES, RENTALS, AND PROPERTY MANAGEMENT

Phone: (718) 596-3234

Email: info@equitysmartrealty.com | Website: www.equitysmartrealty.com

Buy
Properties for Sale

Sell
Your Property

Rent
Apartment Rentals

Broker
Your House Value

CALL US AT 718-596-3234 OR VISIT WWW.EQUITYSMARTREALTY.COM

Equity Smart Realty is a full service Residential & Commercial real estate agency specializing in residential listings, property marketing, sales and comparative market analysis, investor-owned units, development, first time buyers, buyer brokerage, and apartment leasing services.

26 Court Street, Suite 701, Brooklyn, NY 11242

Phone: (718) 596-3234
Fax: (718) 222-3153
Email: info@equitysmartrealty.com
Website: www.equitysmartrealty.com

WWW.EQUITYSMARTREALTY.COM