



CORBCO

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RETIREMENT & FINANCIAL PLANNING CORNER

Brought to you by: Dave Hojlo,
Accredited Investment Fiduciary ("AIF")



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HOMEOWNERSHIP: YOUR PRIMARY RESIDENCE & THE CHANGING USES AND VALUES

Buying Your First Home

Tips for First-Time Home Buyers

1. *Start saving early*
(Down payment, Closing Costs & Move-In expenses)
2. *How much can you afford?*
3. *Check & Strengthen your Credit*
(Equifax, Transunion, Experian)
4. *Explore Mortgage Options*
5. *Research first-time home buyer assistance programs*
6. *Compare Mortgage Rates & Fees*
7. *Get preapproval letter*
8. *Choose A Real Estate Agent*
9. *Pick the best Type of House & Neighborhood for you*
10. *Stick to your Budget*
11. *Make the Most of Open Houses*
12. *Pay for Home Inspections*
13. *Negotiate with Seller*
14. *Purchase Home Insurance*

<https://www.nerdwallet.com/article/mortgages/tips-for-first-time-home-buyers>

<https://www.creditkarma.com/>

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Upgrading Your Primary Residence for Growing Family

Step 1: How Does Your Current Mortgage Fit?

You don't want to sign up for more house than you can afford, decide to work hard for a raise and pay down more of your current mortgage balance before tackling a bigger one. These changes would make a larger home more affordable.

Step 2: What's Your Potential Profit?

The best way is the equity you have built up in your existing home. (Equity is just the fancy word for how much your home is worth minus how much you owe on it.) Remember, if you bought your home for \$325,000—but it's been several years, so the value has now increased by about \$50,000. You can now sell that home for \$400,000 that's the beauty of property appreciation. You can transfer up to \$250k (\$500k for Joint-Filers) of Equity Tax free to your new primary residence as long as you maintained the home as your principal residence in two out of the preceding five years.

Step 3: Set Your Budget and Look for a Good Deal

If you want your new home to be a blessing and not a curse, never get a mortgage with a monthly payment that eats up more than 28% of your monthly gross income. Keep in mind that buyers often compete for move-in ready houses, driving up their prices. If you take a look at the neighborhoods, you like and target below-budget houses that need a few simple upgrades, you could end up saving some cash when all's said and done.



<https://www.ramseysolutions.com/real-estate/how-to-upsize-your-home-three-steps>

<https://www.taxpolicycenter.org/briefing-book/what-are-tax-benefits-homeownership>

<https://www.chase.com/personal/mortgage/education/financing-a-home/what-percentage-income-towards-mortgage#:~:text=The%2028%25%20rule%20states%20that,monthly%20gross%20income%20by%2028%25.>

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Downsizing Your House for Retirement Using Airbnb

The Legalities of Running an Airbnb

Many cities have introduced tougher restrictions for short-term rental properties to protect their community's quality of life and housing market.

Make Your Airbnb Comfy

Airbnb shows hosts how to create a guest-friendly space, and new hosts can ask questions of Superhosts on [Airbnb.com/d/superhost](https://airbnb.com/d/superhost).

Establish Rules for Your Airbnb

Add house rules to your listing to avoid misunderstandings that could lead to poor reviews.

How to Price Your Airbnb

Airbnb suggests starting with a lower-than-average nightly rate until you glean a positive review or two.

Pay Taxes on Your Airbnb Income

If you rent out part or all of your home for more than 14 days during the year, you must report your rental income and expenses on Schedule E of your 1040, with income taxes owed on any profit.

Check Your Homeowners Insurance Coverage

Ask your home insurer about what property damage and liability coverage it offers for short-term rentals by paying guests, which could be excluded as a business activity.

<https://www.kiplinger.com/retirement/603925/how-retirees-can-earn-extra-cash-by-turning-their-home-into-an-airbnb>

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Additions for Multiple Entrances for Elderly Parents

Commonly referred to as “Mother-In-Law Suites” or “Granny-Flats”, these home additions are usually small living spaces that are accessible by the main house by a shared door. These suites are often converted basements, garages, or new additions.

For Large Homes

Carefully consider how much space you have in your home. Multi-generational living tends to work best in large homes that offer separate bedroom, bathroom, or even kitchen facilities.

For Smaller Homes

If your living space is limited, consider renovating a basement, attic, or garage to create more space. You might also consider a small addition.

What Is a Granny Pod?

Also known as an in-law cottage or in-law apartment, these detached tiny homes allow grandparents to stay close to their loved ones, while still offering some privacy.



<https://www.jmconstructionco.com/blog/home-additions-aging-parents/>

<https://www.countryliving.com/home-design/a37788/granny-pods/>

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