



# Homebuyer's Guide to Affordable Home Improvements

Take advantage of every opportunity to get more for your money. Make the right upgrades to create a comfortable and efficient dream home on a budget!

## The Smart Homebuyer Game Plan:



### 1) Find a Home for Less

Search for lower-priced homes with sturdy bones that just need a little TLC. You'll be able to buy in a better neighborhood and get more for your money.



### 2) Choose the Right Upgrades

To start, make only the most cost-effective home improvements that address urgent needs, improve safety, and lower utility bills and maintenance costs.



### 3) Save with Rebates & Financing

Roll renovation costs into your mortgage—one of many innovative financing options. Then access thousands of dollars in utility rebates to pay for smart upgrades.



For unbiased advice along the way—or a free list of rebates and financing in your city—call the Smart Homebuyer Support Line: **888-919-0244**



## Step 1: Find a Home for Less



# Your Dream Home on a Budget: 3 Tips to Get Started

The luckiest homebuyers find the diamond in the rough: the lower-price home that needs just a few fixes and cosmetic improvements. Keep in mind that nearly every home for sale needs some work, and nearly every house can be transformed into a beautiful, comfortable and efficient home. So don't be intimidated by a fixer upper with potential! As you begin house hunting, make time for some important homebuyer homework. The three tips below will set the stage for finding a great home that's within your budget and has loads of upside.

## 1

### Build Your Team

Surround yourself with trusted experts who can guide you through the smartest decisions.

- **Realtor**  
Make sure your agent is an expert on the neighborhoods and areas where you're searching and knows how to find the best opportunities. Your agent is a gatekeeper who will connect you to other professionals like contractors and home inspectors.
- **Lender**  
Find a knowledgeable lender who is familiar with a wider range of home loan programs to fit your needs, such as renovation loans and energy efficient mortgages.
- **Home Inspector**  
Choose an experienced, certified home inspector who will provide a detailed report on your home's health.
- **Smart Homebuyer Advisor**  
When you have questions about mortgage options, smart upgrades, or rebate programs, call one of the unbiased advisors at the Smart Homebuyer Support Line at **888-919-0244**.





## Step 1: Find a Home for Less

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### Understand Your True Costs

Build a conservative budget not only for what house you can afford to buy, but what you can afford to own. Consider the “true cost of ownership” as you submit offers for homes. For example, is the house an energy guzzler? When summer heat sizzles, will your utility bills soar? Below are some costs to include in your budget and discuss with your agent or lender.

#### Purchase costs:

- Down payment
- Closing costs
- Appraisal fee
- Home inspection/energy audit

#### Annual ownership costs:

- Mortgage payment
- Interest
- Property taxes
- Utilities
- Renovations
- Maintenance
- Homeowners insurance



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### Shop for the Right Mortgage

Get pre-approved for a home loan before you begin your search in earnest. Go the extra mile to research all your options. In particular, explore renovation mortgages (see back page) that allow you to roll home improvement costs into your mortgage—eliminating the up-front costs of remodeling and repairs. Using a low-interest mortgage to finance renovations can save you thousands compared to a conventional home improvement loan.

To find a Southern California lender who offers renovation mortgages, call the Smart Homebuyer Support Line at **888-919-0244**.



## Free Fact Sheet on Mortgage Options

You have more mortgage options than you think! Renovation loan programs allow you to add on renovation costs to your mortgage. To get a free fact sheet on your financing options, call the Smart Homebuyer Support Line. **888-919-0244**







## Step 2: Choose the Right Upgrades



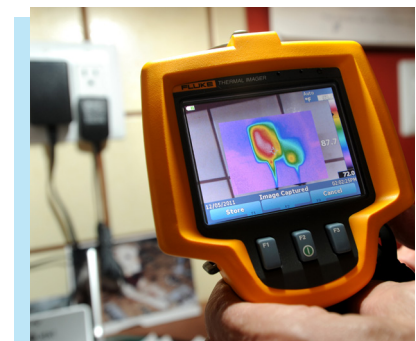
# Determining Your Next Home's Needed Repairs and Upgrades

If a seller accepts your offer, the next key step is a home inspection. Think of the inspection as a general checkup at your doctor's office. An inspector will examine the home's structure (roof, foundation, walls, stairs and decks) and major systems (electrical, plumbing, heating and cooling, etc.) to identify issues and opportunities for upgrades. Remember to set your expectations—nearly every home for sale needs some work. But with an inspection report in hand, you and your real estate agent can quickly determine a course of action—estimating and prioritizing any needed work, or deciding to walk away if it's not right for you.

## Pro Tip: Get an Energy Audit

Will your next home be an energy waster with out-of-control utility bills, or a comfortable, healthy, and efficient dwelling? You can find out by getting an energy audit. This essential diagnostic test can reveal hidden problems like leaky ducts and uninsulated attics, antiquated heating and cooling systems, or indoor air pollutants that trigger asthma. The good news is that these common issues can be easily remedied in most homes, and you can get thousands of dollars from your utility to pay for upgrades.

An energy audit can be performed by an HVAC contractor, home performance contractor, or a rater. Expect to pay a few hundred dollars for the test, and to receive a detailed report that offers you a roadmap for upgrades that can save you thousands of dollars and increase the long-term value of your home.



**Call to Schedule Your Audit:** The Smart Homebuyer Support Line can connect you with a qualified contractor or home performance specialist who performs energy audits in your Southern California city. **888-919-0244**



## Step 2: Choose the Right Upgrades



# Home Inspection Do's and Don'ts

### **DO attend the inspection**

You should be there when the home inspection takes place, following the inspector around the house. Feel free to ask questions about what you're seeing or about any identified issues, from termite damage to out-of-date heating and cooling systems.

### **DON'T skip or skimp**

Saving a few hundred dollars to skip over the home inspection is a very bad idea. This is the biggest investment of your life: Get an inspection with a qualified professional (not your uncle), and gain peace of mind that you're making a smart decision.

### **DO ask for a credit or repairs**

You can leverage the inspection results to ask the seller to make repairs or lower the price to cover costs. This can be a delicate negotiation, so look to your agent for guidance on how to proceed.

### **DON'T be surprised**

Home inspections almost always reveal some level of issues or suggested repairs. This is normal. You should, however, expect a thorough home inspection report with photos and assessment details to guide your decisions.

### **DO investigate further**

Many home inspectors offer additional services, such as water quality analysis, mold and lead detection, or pool and spa inspection. Consider getting additional assessments via your inspector or call in a specialist like a home performance contractor who can discover hidden energy wasters and indoor air quality issues. Your family is worth it!

### **DON'T wait**

As soon as you receive your inspection report, begin estimating costs of repairs and upgrades to determine if they fit your budget. Prioritize the fixes that need to happen immediately versus the ones that can wait. And finally, consider which upgrades can be easily financed or offset with utility rebates to save thousands of dollars.



## Step 2: Choose the Right Upgrades

# Smarter Home Improvement Choices

As a smart homebuyer, choose your initial home improvement projects carefully. Before you start dreaming of new granite countertops, address the fundamentals. For each potential upgrade, ask yourself if it will:

- Resolve key issues or address multiple problems at once?
- Save you money with lower utility and maintenance costs?
- Leverage rebates or financing to help pay for it?
- Modernize your home with the latest technology?
- Improve health, comfort, and safety?
- Increase home value?

## 1 Heating & Cooling

A critical issue to address. Replace old, inefficient and leaky equipment with state-of-the-art models that save energy and lower your bills. If you have a newer system, get a tune-up. Make sure ducts are sealed correctly.

## 2 Water Heating

Older water heaters are inefficient and unreliable. Save energy with high-efficiency, tankless, electric, or solar models.

## 3 Appliances

Replace old refrigerators and dishwashers with efficient ENERGY STAR models. Replace top-loading washers with WaterSense-labeled front loaders to save hundreds of gallons every year.



Energy Savings



Improved Air Quality



Water Savings



Incentives Available



## Step 2: Choose the Right Upgrades

### 4 Water Fixtures



Save thousands of gallons a year with WaterSense-labeled showerheads, faucets, and toilets.

### 5 Insulation



Older homes typically have inadequate or no insulation. Seal and insulate your attic—the most cost-effective project to lower bills and keep homes warmer in winter and cooler in summer.

### 6 Air Sealing



A must before adding any insulation. Caulk and weatherstrip leaks and seal HVAC ducts, which can comprise nearly 30% of a home's energy loss.

### 7 Roof



Time for a roof replacement? Go with a reflective “cool” roof, which reduces energy costs and keeps your home comfortable.

### 8 Lighting



Replace bulbs with high-efficiency LEDs, which last longer and use less energy.

### 9 Windows



Replace creaky, leaky windows with more efficient dual-pane designs to save energy and reduce noise.

### 10 Flooring



Old carpet can be a health hazard, emitting VOCs and harboring dust, mold, and allergens. For healthier indoor air quality, replace with hardwood or eco-friendly carpet.

### 11 Ventilation



Install bathroom and kitchen fans to exhaust air and prevent mold and mildew growth.

### 12 Landscaping



Drip irrigation, smart sprinklers and drought-resistant vegetation can save money and conserve water. Smart systems use about half the water as a timed system.

## Find a Contractor

Many of the smart upgrades listed above can be performed by a HVAC or home performance contractor. Call the Smart Homebuyer Support Line to find a qualified professional that participates in Southern California rebate programs that can save you thousands!

**888-919-0244**





## Step 3: Save with Rebates & Financing

# How to Pay for Your Improvements

Access thousands of dollars in rebate and financing programs to pay for smart repairs and upgrades to your next home!

## Energy Efficiency Rebates

### Energy Upgrade California® Home Upgrade Rebates (up to \$6,500)

Work with a participating contractor to bundle improvements like air conditioning and heating systems, insulation, duct sealing, windows, water heaters, and more.

#### Individual Upgrade Rebates

Your utility may offer rebates for a range of individual products and upgrades. Call for your list of current rebate amounts.

- Air conditioner
- Furnace
- Hot water heater
- Refrigerator
- Windows
- Insulation
- Smart thermostat
- Pool pumps

## Water Conservation Rebates

Available through local water and power agencies.

- High-efficiency toilets
- High-efficiency clothes washer
- Irrigation controllers or soil moisture sensor systems
- Rotating sprinkler nozzles
- Low-flow showerheads
- Rain barrels to collect rainwater



## Financing for Renovations

*Don't deplete your savings on repairs and renovations – finance them through one of these innovative and convenient options.*

### Energy Efficient Mortgage (EEM)

Roll the costs of key energy upgrades into your mortgage, for no additional money down. Add an EEM on top of your existing mortgage; save thousands versus a conventional home improvement loan.

### Fannie Mae HomeStyle® Renovation Mortgage

Make a wide variety of major and minor home improvements and roll the costs right into your mortgage. Finance renovations up to 50% of the as-completed assessed value of your home.

### PACE Financing

Property assessed clean energy financing (PACE) can pay for a wide range of energy and water improvements. No credit score or income requirements, no money down. Borrowed amount is tied to the home, not the individual; paid back via property taxes. CaliforniaFIRST and HERO programs available in Southern California.



**The Smart Homebuyer**  
Buy a home. Fix it up. Save thousands.



**the energy network**  
residents taking action to save energy



## Free List of Rebates

Get a free list of rebates customized for the city(s) where you're house hunting. Call the Smart Homebuyer Support Line now! **888-919-0244**