

Susan and Gabe's August 2007

HOUSECALLS



Our changing preferences in homes

Here's an interesting statistic. The average lot size shrank in the last 10 years, ending in 2005 to about 8,847 square feet, or a little more than a fifth of an acre, according to U.S. government statistics.

The new lot in the suburbs is long and narrow with homes that are designed for more casual living. And if you will be living casually, what is

the first thing to go? Chances are it is either the formal living room or large dining room. Both of these rooms are disappearing in favor of sun rooms, studies, and game rooms.

If you are looking for the perfect house for the new, more casual you, give us a call. We can find something perfect for you. Give us a call, (772) 486-4642.

Buyers grow nest eggs by buying retirement homes early

Real estate agents and financial planners across North America report an increase in couples aged 35 to 55 buying 'retirement homes.'

Financial planners quoted in *The Wall Street Journal* say they are helping younger buyers settle on places to call home that will appreciate in value.

They say it's happening all over the U.S. From the Catskills to the Rockies and in Canada from the Maritimes to Vancouver. More young people are looking for lake-front property or country cabins.

And they are willing to spend money to do it, from US\$100,000 to US\$500,000.

One theory is that younger buyers want to enjoy their money, not just stash it and watch it stack up.

They may want to invest in their families and say buying a vacation or retirement home is a good way to do it.

Many of the affluent couples have already built up their emergency savings, are contributing both to their children's education plans and their own retirement plans. Now, they want to put money somewhere else.

Advisors quoted in *Business Week* say, even if you have the cash, financing a retirement home can make perfect sense. The interest is tax-deductible, and a mortgage frees up cash for other investments, allowing you to diversify your investments

and lower your overall financial risk.

Those who wait until they are ready to retire could find that mortgage interest rates are much higher than they are now.



Sometimes it makes sense to finance your retirement home

So all these years you have saved so that, in retirement, you can be debt free.

Time to take another mortgage?

Financial advisors sometimes say that, even if you do have the cash to buy your retirement home, it often makes sense to finance one.

Retirees with a high income might well be better off taking a conventional mortgage on their retirement home. That way they

can take the interest deductions while keeping their investment capital diversified.

On the other hand, retirees can also put their own home equity to work financing a vacation home. You can refinance and take some cash out of your existing home to make the down payment on a vacation digs. Home equity can be the well for a down payment through refinancing, a home-equity loan, or a home equity line of credit.

You have options. If a retirement home is in your plans, call us. We can help.

The romantic gable... see page 3

NATIONAL WATERMELON DAY



AUGUST 3, 2007

Trivia Contest Question: Which insect lays its eggs only on the milkweed plant? A, ladybug; B, Monarch; C, Carpenter ant; D, Variegated Carpet beetle.

Be the first to answer correctly! See page 4



Ask the Expert

Q How can I finance a new home before our present home is sold?

A. If you have the right credit and the ready cash, you could make two mortgage payments until your old house sells.

Another strategy is to take a short-term, low interest Adjustable Rate Mortgage on your new house that will give you some breathing room while you find the best buyer for your home.

But this is often an unrealistic choice for homeowners who can't swing two mortgages.

One rather obscure

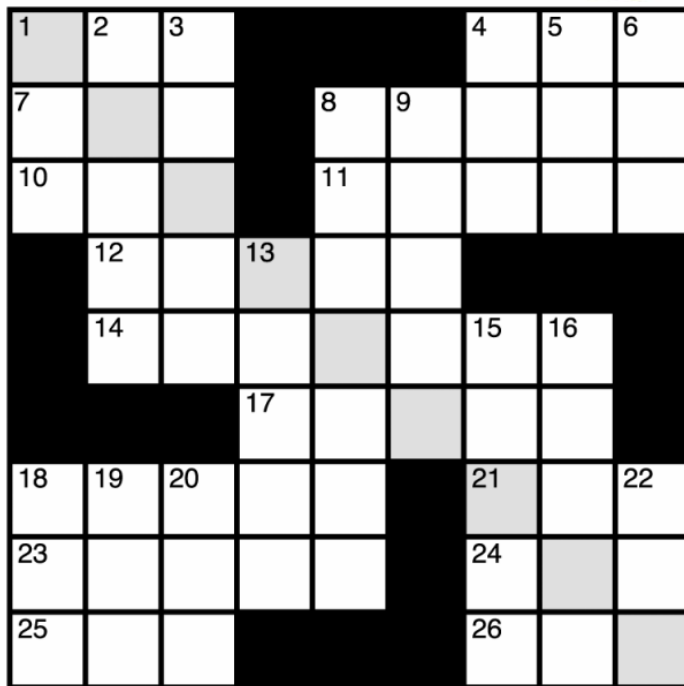
Body Fuel

Across

- 1. Scottish no
- 4. Fail to keep pace
- 7. Double-decker
- 8. Scrubby
- 10. Vacuum tube, for short
- 11. Principle
- 12. Artery
- 14. Rotten
- 17. Carpet fiber
- 18. Ledge
- 21. No __, ands or buts
- 23. Throw a __ fit
- 24. Me __: ditto
- 25. Until now
- 26. Poetic night

Down

- 1. Peacock network
- 2. Emanations
- 3. Cease, legally
- 4. Island garland
- 5. Bustle



6. Athletic facility

8. Gratify

9. Praise

13. Churns up

15. Cream of the crop

16. Crusoe author

18. Like Bashful

19. Go quickly

20. NYC time zone

22. Junior

The headline is a clue to the answer in the diagonal.

choice is known in commercial lending as a 'blanket mortgage.' In some cases, a blanket mortgage might help bridge the gap between your new property and your old one.

A blanket mortgage is a loan secured by two or more properties, sometimes making the loan payment lower than the total outlay on two or three individual mortgages. The borrower only has one payment and one closing.

Usually this type of commercial loan is made to developers buying many lots at once. But in this case, it would combine your present mortgage and the mortgage on the home you

want to buy. When the first home is sold, part of the mortgage would be paid off, bringing your payments down to where you want them to be. It is possible that the lender will want to issue a release before the property is sold. If equity in the remaining property isn't high enough, a new mortgage (or mortgages) could be required.

Your local bank may not offer blanket mortgage since it is an unusual way to solve the problem you describe. As with any mortgage, be sure to check your costs, the terms of the loan, and interest rates carefully.

I don't usually recommend blanket mortgages that secure multiple properties. The combined equity in several properties securing the mortgage could

be high. In case of a personal disaster leading to foreclosure, the borrower might not recover full equity.

But, for some buyers with special circumstances, this obscure financing method could work. We'll be happy to advise you on the matter if you think this might work for you.

If you have a question about buying or selling your home, email me at:

Gabe@GabeSanders.com

You might see your question next month!



New ARMs have long-term fixed rates

As the interest rates on 30-year mortgages climb, more buyers are considering adjustable rate mortgages. But these mortgages are not the kind that raise interest after one or two years.

Bank of America Corp., for one, says it offers hybrid ARMs that carry a fixed rate for the first three, five, seven, or 10 years, then adjust annually. With that many years to build equity, borrowers will be able to switch to a fixed-rate mortgage by the time the ARM rate runs out.

One key to being able to buy a fixed-rate instrument at the end of the ARM period is to make a proper down payment. It should be 20 percent but could be as low as 10 percent. The original ARM should not be a no-down payment deal.

The unpleasant party surprise: *You're out of gas!*

It's hard to tell when the grill's propane is running low but, as the host of a barbeque, it could be more than inconvenient for you to run out of gas before the hamburgers are done.

Here's an idea: Weigh it.

Gagetek.com sells a 20-pound propane tank scale designed just for this purpose. Retailing for under \$30, the small scale gives a LED readout from Full to Refill.

The propane tank scale is available at many stores that sell grills.

If you are a person who grills all summer, this scale could come in handy. Late in the season, you might want to skip the hassle of a tank ex-

change, and with the scale you'll know whether you have to exchange immediately or not.



All About Gables



ROMANTIC ROOF

An old and rusty house, known for its seven 'acutely peaked' gables, each facing a point on the compass was the setting for Nathaniel Hawthorne's haunting classic "The House of the Seven Gables." In North America, from 1830 on, gables have been a prominent feature in home architecture. Early gothic revival styles featured many gables (triangular peaks formed by the sloping roof) with prominent decorative windows set below. Even in modern home architecture, you can still see the romantic influence of the gothic builders in new homes featuring many peaks.

The most common alternative to gables is the hip roof, where all sides of the roof slope gently down to the walls. More difficult to build, the hip roof can be more expensive than a gabled roof but it has several advantages. The walls in a hipped roof home are easier to build, since they are all the same height. The hip roof extends out over the outer walls with consistent eaves. These eaves not only look good, they protect the outer walls from the sun and easily hold gutters.

Nonetheless, no hip roof yet has inspired a gothic romance or ghost story.

Skylights can enhance and brighten almost any room

As you might imagine, skylights were first designed by architects, but perhaps not the ones that come to mind.

The designers of great pyramids in Egypt are usually credited with first designing skylights. They created openings and shafts lined with reflective gold leaf to bring light into the deep chambers of the structures. The Romans used similar techniques.

History is sketchy about where they appeared after that. We do know they were used many centuries later to light rooms in the crowded cities of Europe. As they developed, their use was accepted as a way to bring in fresh air.

In the U.S., Walter Belau's Super Steel Products introduced a skylight in 1929. It was a big success, and their Super Sky Products division was started in 1959. Its new Milwaukee factory was built in 1967. Now, it is one of many skylight manu-

facturers.

Worldwide, people have discovered that a skylight or tubular skylight is an excellent addition to any room without good natural lighting. In a recent survey asking American homeowners their top amenity choice for a dream bathroom, many chose a skylight.

Natural light makes people feel better, decreases energy costs, and reduces the risk of tripping and falling.

If the skylight opens, the "roof window" can improve air quality. It vents stale air and prevents mold caused by moisture from bathing and cooking.

Many skylights are still referred to as pyramid skylights, though that term probably refers more to their shape than to their history.





August 2007

Welcome to our August issue of **HOUSECALLS**.
Susan & Gabe

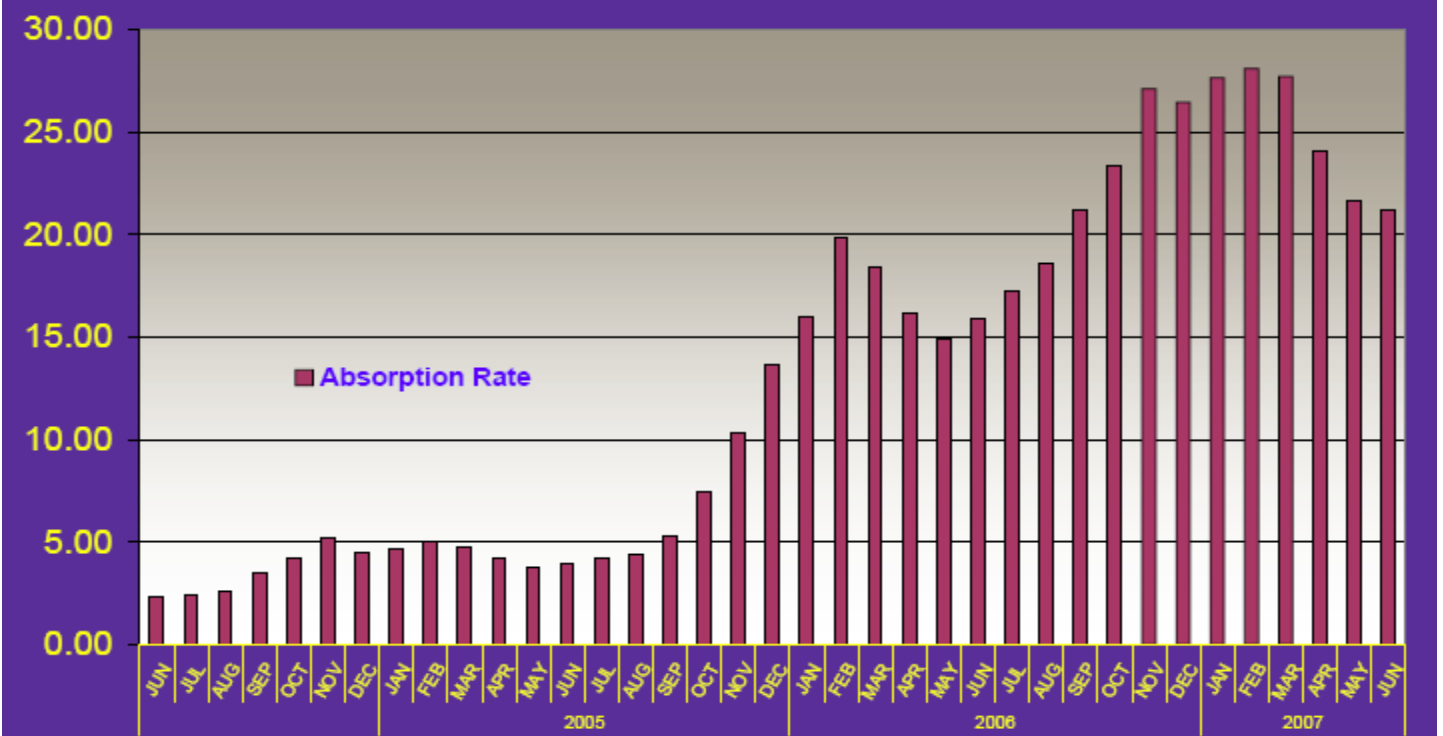
Trivia Contest

Turn to page 1 to see this month's trivia question. Be the first to email me the correct answer

Gabe@GabeSanders.com

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Cataract Awareness	Awareness	Month	1 Ohio State Fair	2 Wisconsin State Fair	3 New Jersey State Fair	4 Coast Guard Day
5 PGA Championship	6 Civic Holiday (Canada)	7 National Night Out	8 Indiana State Fair	9 Iowa State Fair	10 Missouri State Fair	11 California State Fair
12 Illinois State Fair	13 Wyoming State Fair	14 West Virginia Fair	15 Independence Day (India)	16 Kentucky State Fair	17 Western Idaho Fair	
19 National Aviation Day	20 St. Stephen's Day, Hungary	21 *CONGRESS ENACTED* *THE FIRST INCOME TAX*	22 Michigan Fair, Nevada Fair	23 Minnesota State Fair	24 Colorado State Fair	25 Maryland State Fair
26 Nebraska State Fair	27 Oregon State Fair		29	30	31 Vermont State Fair	

Martin County Residential Absorption Rate (3 Mo. Average)



The Definition of Absorption Rate:

Number of weeks it takes to sell the current inventory at the present rate of sales. Knowing your area's Absorption Rate, helps to track trends. Understanding the market and where it is headed is part of our job as real estate professionals. Absorption rate is NOT an exact science. Figuring it is based on the premise that one will be looking for a TREND. It is advised to consistently do the numbers each month, to be able to track a trend.

August 2007

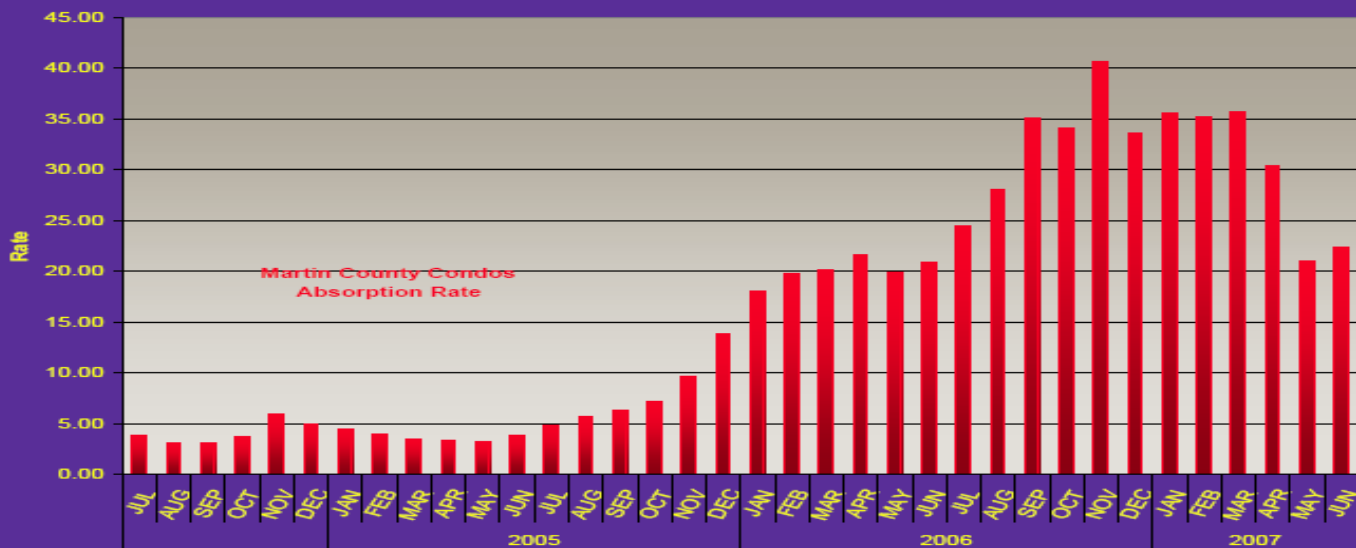
Visit us on the web at www.TreasureCoastFLHomes.com & www.GabeSanders.com



Martin County Residential No. Homes Listed vs. Sold



Absorption Rate Martin County Condos (3 Month Average)



Martin County # of Condos Sold vs. Listed

