

HOUSECALLS

Happy New Year



Gabe's January 2017 Stuart Florida Real Estate HouseCalls



Gabe Sanders

Dangerous cookbooks?

Cookbooks are a bio-hazard says a UK food safety expert, quoted in The Sun newspaper.

Richard Conroy says cooks run the risk of food poisoning every time they open a cookbook and flip through the pages. Conroy says cookbooks are routinely splattered with small amounts of food, then they are stored on shelves where they grow bacteria.

Even phones and tablets can become contaminated he says.

According to a 2013 study by a UK watchdog group, kitchen electronics were found to have high levels of *Staphylococcus aureus* bacteria.

Cooks should routinely disinfect their electronics and wash hands while using cookbooks.

Real estate 2017:

More homes, drones, and rising interest rates

The 2017 real estate market has some surprises in store as buying and selling might go high tech, and the mortgage market remains stable.

Here are some of the predictions by market experts for the new year.

Mortgage rates on the rise

One can't really say mortgage rates are inching up; that would be an overstatement. But rates are higher, as every analyst predicted. Even so, rates remain a fantastic deal and are historically low.

According to Bankrate, the 30-year fixed rate mortgage rose in December 2016 to 4.13 percent from 4.1 percent.

Bankrate's survey found: At the current 30-year fixed rate, you'll pay \$484.94 for every \$100,000 you borrow, up from \$483.20 earlier in December 2016.

Analysts also predict two more upward ticks in the interest rate in 2017. If you want to buy, get in the market now.

Drones

Daniel Goldstein, writing for Market Watch, expects real estate to go high tech as drones become a feature of the selling process.



Drones aren't just for kids; they are for home buyers and sellers, too. It's a new way to inspect and show off a house for sale.

The Federal Aviation Administration has cleared the way for expanded use of drones by regular people who just want a view from the sky.

That means you could get a small drone and offer a sky view of your property or neighborhood. In fact, drone views are predicted to be the next thing in home selling.

Meanwhile, regulations have stalled the commercial drone business, which might be used to do sky views of expensive real estate.

More homes to buy

For all of 2016, the real estate market favored sellers as low supply raised prices slightly.

During the next year, buyers should have more choices for homes.

An early indicator is an 8 percent rise in new homes completed and ready for sale in October 2016.

Most analysts see a brisk year for home building. This should make buyers happy since they will have more homes to

Ask the Expert



What is the difference between a conforming and non-conforming loan?

The big difference is the borrowing limit, although other factors come into play. Most everyone who gets a mortgage has a conforming loan.

Conforming loans

Limits: Conforming loans are generally limited to \$417,000, although there are higher limits in areas where housing is very expensive. The conforming loan limit can go up to \$625,000 in housing markets, such as certain counties in California, New York, Massachusetts, and Washington, D.C., among others.

Loan-to-value ratio: Your down payment has to be equal to 20 percent or more of the home's value, but first-time buyers can qualify for a conforming loan through Fannie Mae with as little as 3 percent down. Your mortgage lender helps with the required forms and analysis of what you qualify to buy.

Credit score: A conforming loan requires a FICO credit score of 620 or better. However, there are other government-insured mortgages (such as FHA loans) for lower credit scores.

Debt-to-income ratio: Your debt-to-income ratio can be no more than 36 percent (although

Market Value vs. Replacement Cost

The market value and replacement cost of a building are not the same thing. They are distinctly different concepts which are estimated using different criteria. It is not necessary that the market value and replacement cost of a building are identical. They are two distinctly different approaches to valuing a property.

Market value is the estimated price at which your property would be sold on the open market between a willing buyer and a willing seller under all conditions for a fair sale. Replacement cost is the estimated cost to construct, at current prices, a building with equal utility to the building being appraised.

When comparing market value to replacement cost, it is important to understand what both represent and what factors are considered in each circumstance. Otherwise, a meaningful comparison cannot be made.

Market value represents the agreement between buyer and seller of what property is worth. In real estate, it often includes the value of land, site improvements to the land, buildings, and sometimes personal property and intangible assets. In order to compare market value to replacement cost, adjustments must be made for such factors.



Replacement cost is the cost to construct or replace at a given time, an entire building of equal quality and utility, using prices for labor, materials, overhead, profit and fees in effect at the time of the appraisal. The construction or replacement of the building uses modern materials and current methods, designs, and layouts. Replacement cost does not take into consideration improvements necessary to conform to change building codes, demolition, debris removal, site accessibility, reuse of building components or services, overtime, bonuses for labor, abnormal soft costs, extraordinary fees, premiums for materials, and other various contingencies.

In addition to material and labor costs, CoreLogic cost data includes: consideration of permits, surveys, builders risk insurance, sales taxes, built-ins and other costs that would typically be paid for by a consumer in a particular market, for example, an electrical or plumbing allowance.

Unless specifically added to your cost estimate, the CoreLogic costs do not include real estate commissions, land, landscaping, sidewalks, driveways, patios, well and septic systems, sewer and water systems, and other land improvements.

[Click to read the entire CoreLogic article.](#)

some exceptions raise this to 45 percent) of your gross income.

Non-conforming loans

Sometimes people can't qualify for a conforming loan. They might need a non-conforming Jumbo loan to buy a property that costs more than the loan limit. Or they might have problem credit, such as a low credit score from bankruptcies. Self-employed people might not be able to document their income.

In the case of credit or income documentation, some lenders might still make a loan, but the interest rates and down payments will be higher.

Such loans often require payment of large fees up front, and there could be expensive insurance requirements.



"Grandma's pretty old. Will she be able to read something not written in cursive?"

The man who resolved to be perfect

Jonathan Edwards made, and kept, 70 resolutions

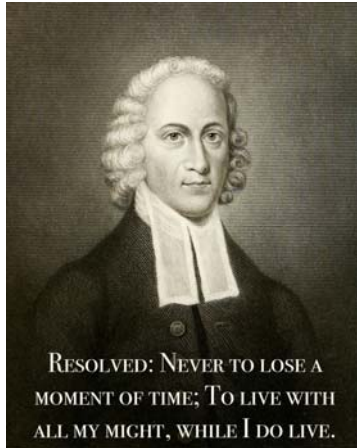
Most people make New Year's resolutions to become a better person, but one 18th century minister made 70 resolutions designed to mold himself into, not just a good man, but the perfect man of God.

Jonathan Edwards, a Congregationalist theologian, was born in 1703 the fifth child of 11 children (the only son) in Connecticut Colony. A precocious child who entered Yale at 13, he became a student of science.

Like many of his contemporaries, he believed a perfect person could exist and he wanted to be that person.

In 1720, he began his 70 resolutions for his own conduct: To speak with truth; never to speak evil of others; to shun anger and revenge; to be temperate in eating and drinking; to be agreeable, peaceable, compassionate and charitable.

During the next few years, Edwards added to his resolutions, focusing resolutions about living: Resolved, never to lose one moment of time ... to live with all my might, while I do live. And another: I will live so as I shall wish I had done when I come to die.



Edwards also followed up his resolutions: Resolved, to inquire every night, before I go to bed, whether I have acted in the best way I possibly could ... to ask myself at the end of every day, week, month and year, wherein I could possibly in any respect have done better.

Looking at the adversities of life, Edwards pointed to duty: Resolved, when I fear misfortunes and adversities, to examine whether I have done my duty, and resolve to do it; and let it be just as providence orders it..."

He asks himself if afflictions can be good: Resolved, after afflictions, to inquire, what I am the better for them, what good I have got by them, and what I might have got by them.

Edwards, who frequently meditated on death as a way to understand life, lived to age 54. The father of 11 children, his descendants have left a large legacy in America. Of 400 traced descendants, there were 13 college presidents, 65 professors, 100+ lawyers, 30 judges, 66 physicians, 80 holders of public office (including three senators, three mayors, three state governors, one controller of the United States Treasury, and one vice president of the United States (Aaron Burr elected 1801).

Don't drive and Snapchat

The worst possible New Year's decisions probably don't seem so terrible at the time.

Drinking and driving -- the safety scourge of New Year -- gets a lot of press for good reason. That one decision can change your life or even end it.

However, a new spike in traffic-related deaths tells experts something else is going on in cars these days. Something deadly: Technology.

In the first six months of 2016, highway deaths rose 10.4 percent, to 17,775, from the comparable period of 2015, according to the National Highway Traffic Safety Administration.

Safety officials aren't alone in their concern. The insurance industry is also convinced that using phones and apps on phones, tablets or laptops, is the biggest cause of the rise in road fatalities, Robert Gordon, a senior vice president of the Property Casualty Insurers Association of America, said in an interview with The New York Times.

When the first examples of tech-distracted driving became obvious a decade ago, the problem was driving while trying to make phone calls or text on a phone. Response to this problem was to make new cars Bluetooth friendly so that drivers would not have to take their hands off the wheel.

That has worked so well that now there are a host of apps for the car. Result? More Internet use than ever and, possibly, more distraction than ever, as drivers concentrate on podcasts, social media, navigation, and more.



New Year's budget resolution?

Try zero-sum budgeting

If your goal is to make 2017, a better financial year, try zero-sum budgeting, a simple idea that can bring big results.

According to FamilyFinancier.com, zero-sum budgeting means spending every single dollar on a specific goal. You could have goals like paying a bill, savings toward a holiday or adding to an investment. While creating your goals, you also make one for a one-month emergency fund and paying bills a month ahead.

According to a recent Federal Reserve survey, 46 percent of Americans said that they would have to borrow or sell something to pay for a \$400 emergency. With Zero-sum Budgeting, over time you create one-month cushion.

Start with your monthly bank statement. Make a list of spending categories. Assign expenditures to one of these categories. This helps you see what you actually spend and where.

Now, decide where you can cut spending and where you can add spending, to suit goals such as paying off bills. Make sure every single dollar you bring in has a 'home' in your budget.

A few recommendations for someone trying this, or any other, budgeting method:

- * Use an app, tool, or spreadsheet to help stay organized and accurate. This makes the process so much easier.

- * Find an accountability partner.

- * If overspending is a problem, roll with the punches and work to get back on track.

January 2017



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Sun	Mon	Tue	Wed	Thu	Fri	Sat
1 New Year's Day	2 	3	4	5	6	7 Orthodox Christmas
8 Golden Globe Awards	9	10	11	12	13	14 Orthodox New Year
15	16 Martin Luther King Day (holiday)	17	18	19	20 Inauguration Day	21
22	23	24	25	26 Australia Day	27 Commemoration Victims of the Holocaust	28 Chinese New Year
29	30	31				

Florida November 2016 Single Family Homes Report Click on the Image for the full report

Monthly Market Detail - November 2016
Single Family Homes
Florida





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Summary Statistics	November 2016	November 2015	Percent Change Year-over-Year
Closed Sales	19,763	17,523	12.8%
Paid in Cash	5,827	6,605	-11.8%
Median Sale Price	\$220,000	\$199,990	10.0%
Average Sale Price	\$290,049	\$273,155	6.2%
Dollar Volume	\$5.7 Billion	\$4.8 Billion	19.8%
Median Percent of Original List Price Received	96.1%	95.5%	0.6%
Median Time to Contract	43 Days	48 Days	-10.4%
Median Time to Sale	92 Days	95 Days	-3.2%
New Pending Sales	20,954	19,357	8.3%
New Listings	25,757	24,357	5.7%

View all Market Reports for [Martin County](#), [Saint Lucie County](#), and [Florida \(statewide\)](#)

Click on the name of the region above to view the reports.



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