

Gabe's August 2012 HOUSECALLS



Mom's Time Out

A married couple had not been out on a date together for some time. Budgets, kids, busy schedules all got in the way of fun for this Mom and Dad.

One day, as Mom was finishing the dinner dishes, Dad stepped up behind

her and asked, "Would you like to go out, girl?"

Mom said, "Yes, I'd love to!"

They had a wonderful, relaxing evening.

It wasn't until the end that Dad confessed.

His question had actually been directed to the family dog, lying near Mom's feet on the kitchen floor.

Be sure to water them!

Wall gardens bring nature inside

They are called "living walls," -- interior gardens of artfully arranged plants growing out of concealed trays or pockets anchored to a wall.

They are seen in homes as a creative decorating alternative. Living walls don't have to cover an entire wall to be a stunning addition to a room. They could be much smaller, depending on the area to be emphasized.

On large walls, the garden provides a dramatic focal point or a visual break that reflects the outdoors. It adds unexpected freshness and calming contrast as it turns a smooth wall into a textured linear design.

Some decorators fill the pockets with kangaroo ferns and tropical plants.

If you like the idea, interior designer Sarah Barnard of Santa Monica, California, suggests a living wall system made by [Woolly Pocket Corp.](#) The company's "Wally One" is a two-foot planter for \$40; three units cost \$100 and five cost \$150.

An area in a New York restaurant has an 8-foot by 8-foot wall garden with 150 herbs and other fragrant plants that

scent the dining area, according to The Wall Street Journal.

Wall systems are often modular, with stackable cells of plants that can be arranged in customized displays. Irrigation is accomplished with an old-fashioned watering can or a computerized system on timers, which costs \$60.



One designer prefers the watering can method. She says people forget to set the timers on irrigation systems. The system could also develop a problem that could result in a flood, like a sticking valve.

Rebecca Sweet, author of *Garden Up*, has a wall garden on a fence outside her home. It's a spot where it's difficult to plant anything on the ground.

Bright Green in Hartford, Michigan, creates living walls from plastic trays of 10 or 45 cells. They hold plants at an angle and hand watering is required.

The system retails for \$29.95 for the small version or \$39.95 for the large. A kit, including a wooden frame to set off the design on a wall, costs \$95.



Housing Passes a Milestone

The housing market has turned—at last.

The U.S. finally has moved beyond attention-grabbing predictions from housing "experts" that housing is bottoming. The numbers are now convincing.

Nearly seven years after the housing bubble burst, most indexes of house prices are bending up. "We finally saw some rising home prices," S&P's David Blitzer said a few weeks ago as he reported the first monthly increase in the slow-moving S&P/Case-Shiller house-price data after seven months of declines.



The U.S. finally has moved beyond attention-grabbing predictions from housing "experts" that housing is bottoming. The numbers are now convincing, according to David Wessel on The News Hub. (Photo: Bloomberg News)

Nearly 10% more existing homes were sold in May than in the same month a year earlier, many purchased by investors who plan to rent them for now and sell them later, an important sign of an inflection point. In something of a surprise, the inventory of existing homes for sale has fallen close to the normal level of six months' worth despite all the foreclosed homes that lenders own. The fraction of homes that are vacant is at its lowest level since 2006.

The reduced inventory of unsold homes is key, says Mark Fleming, chief economist at CoreLogic, a housing data-analysis firm. For the past couple of years, house prices have risen in the spring and then slumped; the declining supply of houses for sale is reason to believe that won't happen again this year, he says.

Builders began work on 26% more single-family homes in May 2012 than the depressed levels of May 2011. The stock of unsold newly built homes is back to 2005

levels. In each of the past four quarters, housing construction has added to economic growth. In the first quarter, it accounted for 0.4 percentage points of the meager 1.9% growth rate.

"Even with the overall economy slowing," Wells Fargo Securities economists said, cautiously, in a note to clients, "the budding recovery in the housing market appears to be gradually gaining momentum."

Economists aren't always right, but on this at least they agree: A new Wall Street Journal survey of forecasters found 44 believe the housing market has reached its bottom; only three don't. (The full results of the Journal's July survey will be released at 2pm ET)

Housing is still far from healthy despite the Federal Reserve's efforts to resuscitate it by helping to push mortgage rates to extraordinary lows: 3.62% for a 30-year loan, according to Freddie Mac's latest survey. Single-family housing starts, though up, remain 60% below the 2002 pre-bubble pace. Americans' equity in homes is \$2 trillion, or 25%, less than it was in 2002 and half what it was at the peak. More than one in every four mortgage borrowers still has a loan bigger than the value of the house, though rising home prices are reducing that fraction slowly.

[View Interactive](#)



Still, the upturn in housing is a milestone, a particularly welcome one amid a distressing dearth of jobs. For some time, housing has been one of the biggest causes of economic weakness. It has now—barely—moved to the plus side. "A little tail wind is a lot better than a headwind," says economist Chip Case, the "Case" in Case-Shiller.

From here on, housing is unlikely to drag the U.S. economy down further. It

will instead reflect the strength or weakness of the overall economy: The more jobs, the more confident Americans are about keeping their jobs, the more they are willing to buy houses. "Manufacturing had led growth and construction had lagged," JPMorgan Chase economists said last week. "Now the roles are reversed: Manufacturing growth has slowed as private construction comes to life."

Plenty could go wrong. The biggest threat is a large shadow inventory of unsold homes, homes which owners won't put on the market because they are underwater, homes that will be foreclosed eventually and homes owned by lenders. They have been trickling onto the market, slowed in part by government efforts to delay foreclosures; a flood could reverse the recent rise in prices. Or the still-dysfunctional mortgage market could get worse. Or overly zealous regulators or a post-election change in government policy could unsettle mortgage lenders or home buyers.

But the housing bust is over.



Cities build more dog parks

According to the The Trust for Public Land, dog parks are the fastest-growing segment among city parks. They achieved a 34 percent growth rate from 2005 to 2010, compared with 3 percent for traditional parks.

To find a dog park near you, visit dogpark.com.



Mortgage interest rates drop again

Everybody loves a sale, and one that saves mortgage payment dollars is the greatest sale of all ... one that lasts for 30 years.

Most mortgage interest rates stand at 3.78 percent for a 30-year, fixed rate mortgage, but many lenders are offering rates that are even lower, especially for loans offered over the Internet.

BestMortgageLoan.com offers mortgages at 2.38 percent and claim there are no hidden fees ever. That means the payment on a \$150,000, 30-year fixed rate mortgage is \$583 per month.

Search the Internet for mortgage lenders in your area that are offering low-interest deals. Often those offered on the Internet are granted only for people with the highest credit scores.



A brick-and-mortar lender near you might have something almost as good as those offered on the Internet.

Remember, however, that if you have to pay mortgage insurance, the quoted monthly payment on any mortgage will be higher. If closing costs are added to the mortgage, the payment would also be somewhat higher, but not very much.

The perils insurance won't cover

If your house burns down, the insurance company will pay. Ditto if a tornado blows it away.

Some homeowners have been surprised to discover that their homeowner's insurance does not cover flood damage, or damage from earthquakes and landslides.

Other common exclusions include damage from mold, broken pipes due to lack of routine maintenance, and sewage backups.

If you live in a high-risk area for floods, your mortgage company will require you to carry flood insurance. Even if the risk is fairly small, flood insurance is a good idea, though it can cost \$1,700 a year or more on a \$150,000 building and \$50,000 in coverage for contents.

Consider what problems place your home at the greatest risk and beef up coverage by adding endorsements, say experts at thisoldhouse.com.

Store-flat luggage

It's nice to have a beautiful suitcase to tow around the airport. But at home, it can take up a large share of a closet.

Road Warrior has a new line of bags that solve the problem. Its colorful suitcases collapse to 6 inches deep, flat enough to fit under a bed or hang in a closet. To return them to full size, just pull an interior cord, then pull the outside grips.

Their wheeled uprights, wheeled duffels and a tote come in three colors. Visit roadwarriorluggage.com for more information.

Ask the Expert



By Gabe Sanders

We can't get a mortgage on the home we want, because the appraisal was lower than we expected. Is there anything you can do to help?

It is possible to fight back against lowball home appraisals. The first step would be to examine the appraisal for errors, then check the appraiser's choices for comparable properties.

* We look for simple errors, such as in the number of square feet in the home and the number of bedrooms and baths.

* Sometimes the appraisal is based on older homes a few blocks away that are not directly comparable.

Such experiences are not uncommon right now. According to the National Association of Realtors, about one-third of real-estate agents report that lowball appraisals have resulted in cancelled deals, delayed or renegotiated deals.

* We check to see if the appraisal included distressed sales or foreclosures, which tend to bring down the actual value of the home being appraised, according to the Mortgage Bankers Association.

* In some cases, an appraiser can be convinced to search further for comparable properties. If there haven't been many sales in the neighborhood, it's more difficult to find equally valued properties to support an appraisal. Have your real estate agent talk to the appraiser to see if he or she will make a greater effort to find comparables.

* Borrowers can't pick their appraiser, but they can accompany him or her and provide a list of improvements and features in the home that add value.

At U.S. Bancorp, borrowers who are unhappy with their property valuation can ask to have the appraisal reviewed by the bank. If the bank agrees it wasn't realistic, it will order a new one. But the bank has to have a good reason for the second appraisal, and the buyer has to pay for it, usually about \$400.

Citigroup sometimes gets two or three appraisals for a property, because they say appraisals are an art form. It takes more than one to satisfy the customer with two that come in at the same level.



Featured Listings

Spacious second level ocean front condo with sweeping ocean views on Stuart's Hutchinson Island. Tastefully updated with granite counter tops, upgraded cabinets, stainless refrigerator and microwave and tile throughout. Breakfast bar and dining nook in the kitchen. Elevator in building. Extra storage also included. One small pet is allowed. The Sandpebble condominium complex has 5 swimming pools, ocean to river access, a community marina with slips for rent (check availability), tennis courts and club house. Very conveniently located close to shopping, great schools and a short drive or bike ride to either the Stuart or Jensen Beach Causeways. A great opportunity for either year round living or the perfect Florida vacation home. Rentals allowed.

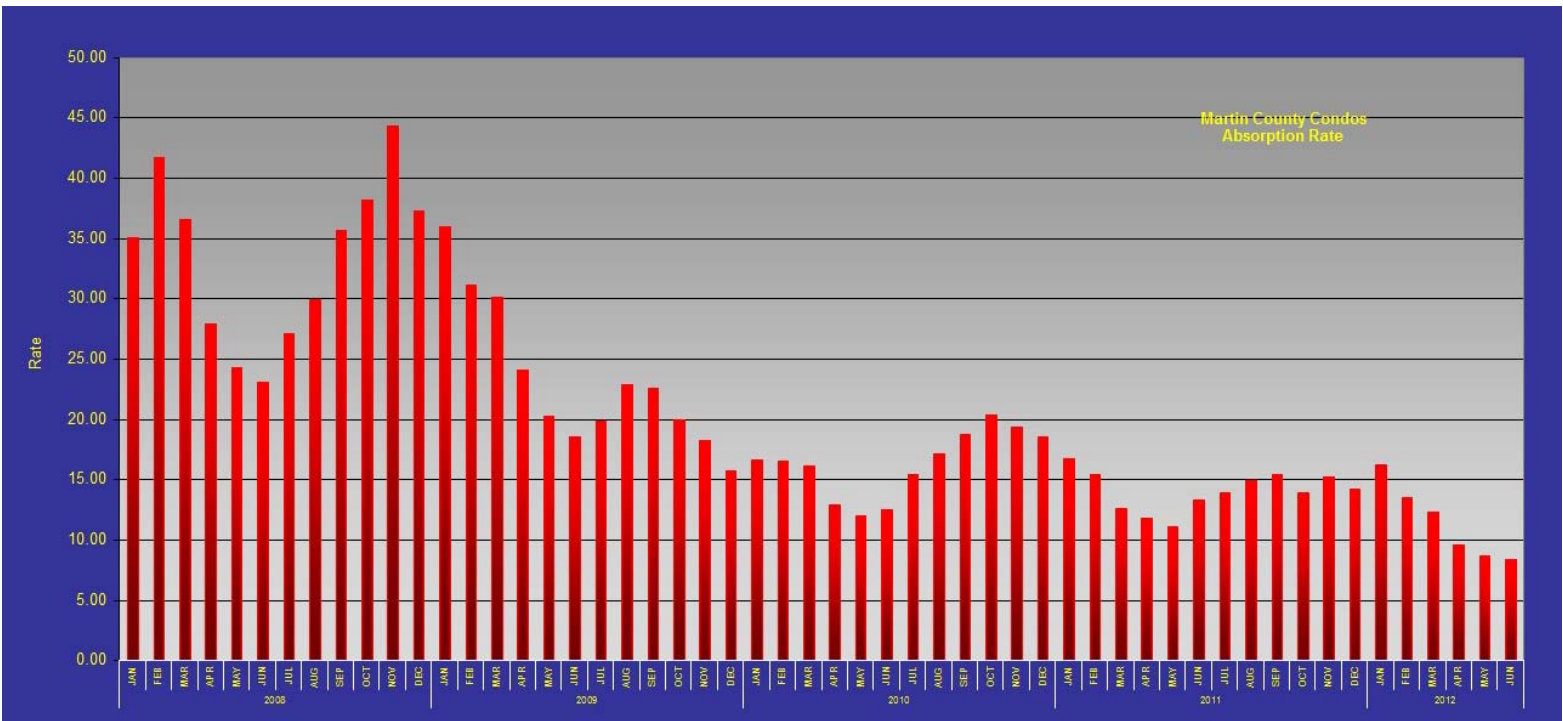


[Sandpebble on Hutchinson Island - Offered for \\$350,000](#)

Best Waterfront Value in Martin County!

Not your typical Short Sale! Shows beautifully! Lush tropical setting & sweeping, wide waterfront views highlight this special offering. Over 7,000 sq ft with 6 bedrooms, custom built contemporary designed to maximize the waterfront living experience. Abundant windows and skylights brings the outside in, 13 foot ceilings -- light & bright. Large entertaining-family-media space with full kitchen located on pool level. Enormous pool patio area (3000 sq. ft.) overlooks a beautifully manicured lawn to dock an d lift, only minutes to the St. Lucie Inlet. Unbelievable views of the Crossroads, St. Lucie and Indian Rivers. Features include: coquina coral fireplace, 3 zone ac and 2 full kitchens.

[Offered for \\$1,550,000](#)



View the complete set of Martin County Statistics graphs at: www.TreasureCoastFLHomes.com



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