

# Gabe's July 2012 HOUSECALLS

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## Social gossip actually has benefits



A new study from the University of California, Berkeley, finds that the some kinds of gossip can have positive effects, such as helping to reduce bad behavior, prevent abuse and lower stress.

"Gossip gets a bad rap, but we're finding evidence that it plays a critical role in the maintenance of social order," said social psychologist Robb Willer, a co-author of the study.

Researchers discovered that gossip can be a therapeutic emotional outlet as it serves as a vehicle to

relieve stress.

"Spreading information about the person whom they had seen behave badly tended to make people feel better, quieting the frustration that drove their gossip," Willer said. Apparently the tendency to want to warn others about unsavory characters is an ingrained tendency.

The study focused on social gossip rather than the misbehavior of movie stars and public figures.

## Build wealth one house at a time

**W**hen you are young, just starting out, with a tight budget, there is still one investment you can make that builds your future, and doesn't strain finances.

It's a home, of course. You will have to pay some sort of rent, but when you buy a home, it is a savings account.

Here is a great example:

The other day we ran into a friend who retired recently. We hadn't seen him in a long time. We visited for a while, then he invited us to dinner at his place.

What a beautiful home he had! At first, we could hardly believe it because he didn't have a high-paying job. It was even harder to believe that he didn't have a huge mortgage.

He enjoyed telling me how it happened. After high school (and marriage), he and wife were able to buy a small house. Pleased with their purchase, they made the home and the yard look beautiful.

A few years later, after their baby was

### July Patriot Quiz inside!



born, they wanted more room and were able to sell the home for a nice profit, which they used for a down payment on a larger place.

Over time, they decorated and improved the home, real estate prices rose,

and they was able to move up to a more expensive home.

After another such move, he acquired this beautiful place. His plan was to pay it off in a few years and then sell it. It was part of his retirement plan.

He reminded me of my son's father-in-law, a quiet but ambitious man who had originally rented an apartment in a six-unit building. He offered to be the building's maintenance man in his spare time. After a few years, he managed to buy the building.

In all, there were four apartment buildings in the complex. Over time, using income from rents, he bought them all. Then he left his job as a graphic artist.

Though he hired someone to do most of the maintenance, he loved to cut grass with his tractors, which he was able to do for rest of his life, that is, when he wasn't traveling.

Home are an investment that you enjoy every day. Look ahead!



### Ask the expert



*We have been waiting for just the right time to buy a home. Do you think the best time is still coming?*

Have you found the house you want with the space and amenities you are looking for? If so, this could be best time in years to buy it. Here why.

\* Mortgage interest rates have fallen to their lowest level in 60 years! Recently 30-year-fixed mortgages were down to an average of 3.84 percent, besting the previous record low of 3.87 percent.

Experts quoted in Inside Mortgage Finance say consumers should not hold out for a lower rate, because it's not coming. Instead rates will steadily rise.

\* The housing market overall is improving. Existing home sales were up 5.2 percent from a year ago at this writing, according to figures by the National Association of Realtors. Declines in home prices are just about at an end.

\* Demand is sparking up to a 2 percent rise in asking prices recently, and it's part of a trend, according to Trulia.

Depending on the part

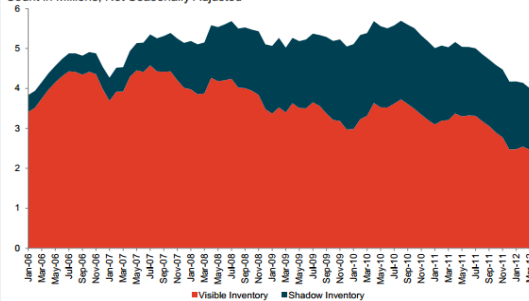
## Shadow inventory drops to lowest level in nearly 3 years

CoreLogic: Serious delinquencies fall in Arizona, California, Nevada

Paralleling a decline in for-sale inventory, shadow inventory looming over the U.S. housing market hit its lowest level in nearly three years in April, according to a report from real estate data aggregator CoreLogic.

Shadow inventory was down 14.8 percent year over year in April to 1.5 million units. That's a four-month supply, down from six months in April 2011 and about the same level as in October 2008.

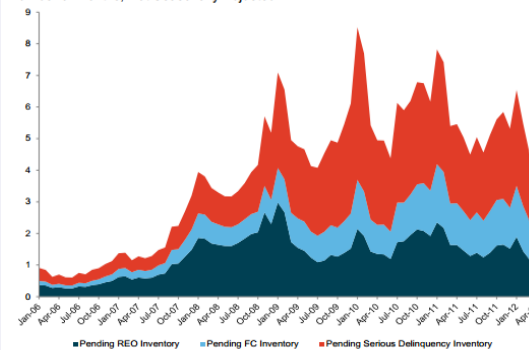
Figure 3: Total Inventory Detail  
Count in Millions, Not Seasonally Adjusted



Source: CoreLogic April 2012

Meanwhile, unsold inventory of nondistressed active listings fell to 6.5 months in April -- a more than five-year low.

Figure 2: Months' Supply Shadow Inventory Detail  
Number of Months, Not Seasonally Adjusted



Source: CoreLogic April 2012

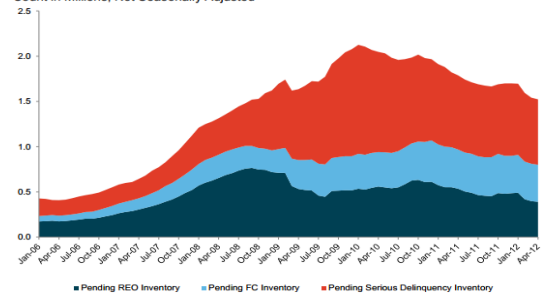
"Since peaking at 2.1 million units in January 2010, the shadow inventory has fallen by 28 percent. The decline in the shadow inventory is a positive development because it removes some of the downward pressure on house prices," said Mark Fleming, CoreLogic's chief economist, in a statement.

"This is one of the reasons why some markets that were formerly identified as deeply distressed, like Arizona, California and Nevada, are now experiencing price increases."

CoreLogic defines shadow inventory as properties seriously delinquent by 90 days or more, in the foreclosure process, and those that have finished the foreclosure process and become REO (real estate owned) but have not yet been listed for sale.

The dollar volume of shadow inventory fell about 9 percent in April, to \$246 billion -- a three-year low. Of the 1.5 million units comprising the nation's shadow inventory, 720,000 are seriously delinquent, 410,000 are in some stage of foreclosure, and 390,000 are unlisted REO

Figure 1: Shadow Inventory Detail  
Count in Millions, Not Seasonally Adjusted



Source: CoreLogic April 2012

Serious delinquencies fell most in Arizona (-37 percent), California (-28 percent), Nevada (-27.4 percent), Michigan (-23.7 percent) and Minnesota (-18.1 percent), CoreLogic said.

of the country and the home, today, it's not unusual for a seller to get offers to buy that are above the asking price.

\* Demand for home loans is also up. The latest data from the Mortgage Bankers Association shows applications for home purchases are on the upswing.

In spite of the latest interest rate drop, economists at Freddie Mac still expect 30-year-fixed-rate loans to rise late this year to 4.25 percent.

So, I would say since home prices won't get lower and mortgage interest rates may be the lowest they'll ever be, that, yes, this the time to buy that you've been waiting for.



"Maybe complimentary refills wasn't such a good idea."



## The liberty quiz: 6 questions for patriots

1. Where would a patriot find the inscription: "Proclaim liberty throughout all the land unto all the inhabitants thereof"? What is the name the book from which the phrase was taken?

2. According to one patriot, Americans believe some truths are so obvious there is no need to debate them. In one of the first important American documents, this patriot wrote, 'we hold these truths to be self-evident that . . .' Who was the patriot and what was the first truth he named?

3. The same patriot went on to write that all men enjoyed 'unalienable' rights and he named three in particular beginning with 'life' -- what are the other two?

4. Where, according to the patriots, did all men get their unalienable rights?

5. The flag of the United States is designed with stars to represent states. What do the stripes represent?

6. What is known as the 'supreme law' and how can it be revoked?



### Answers

1. The Liberty Bell inscription was taken from the Bible or more specifically, Leviticus.

2. Thomas Jefferson wrote: 'We hold these truths to be self-evident, that all men are

created equal . . .'

3. Life, liberty, and the pursuit of happiness.

'Unalienable' from Webster's Revised Unabridged Dictionary (referring to 'inalienable'): Incapable of being alienated, surrendered, or transferred to another.'

Other sources: Incapable of being repudiated and not subject to forfeiture. A right a leader can't take away from you and which you can't give up.

4. They said man's rights come from God, who gave all men these rights as a gift. They said God 'endowed' man with rights that could not be revoked by a king or a politician.

5. On July 4, 1776, the Declaration of Independence was adopted officially by the 56 representatives of the United States of America.

6. The Constitution is the supreme law. It cannot be revoked.

You can find all the answers and more at [www.dar.org](http://www.dar.org).

## New neighborhoods in old places

The housing industry is rethinking the types of homes they want to build and where to build them.

In cities, old industrial buildings and deserted warehouses are being torn down to make way for new housing.

Young Millennials and older Baby Boomers are rejecting traditional suburban homes in favor of urban living. These two generations make up almost half of the American population.

Many plan to live near city centers so they can walk to work, shops and restaurants or take public transportation. They prefer smaller homes because they're single or have no kids. They don't want to spend much free time maintaining their homes, and they don't want to spend a lot on gasoline.

Many 30-something professionals also plan to live in city neighborhoods. And they don't plan to live in multi-story condos, according to Smart Growth America's LOCUS, a coalition of real estate developers and investors who are in favor of urban projects. This is a dramatic shift in the types of homes people want, and it's probably not temporary, experts say.

## Windows are wearing sheer layers

Decorators say sheer drapes softly layered over shades can create a look similar to what some women achieve with a wispy blouse worn over a camisole.

With sheer drapes closed and the shade half up, the

drapes filter light. If windows are open the drapes "billow like a flowing dress that always makes a woman look amazing," says one New York homeowner.

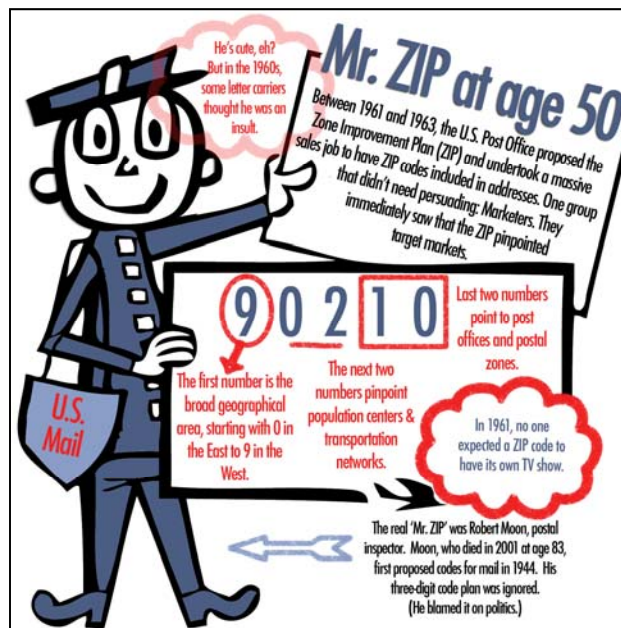
Translucent, softly layered window treatments are showing up in urban and suburban homes as alternatives to old-fashioned drapes and binds. These neutral-toned window treatments have clean lines and no frills, according to decorators quoted in The Wall Street Journal.

With the sheers, a second layer of sun protection is available through solar shades, which filter light and create an effect "like putting sunglasses on a window," says one interior designer.

The layered look with see-through curtains, is about bringing

the outside in. It can be done with sheers. For total light control, a blackout window shade can be used.

Catalog retailer Smith & Noble has more than doubled its shade offerings, adding more textures, colors and styles.





## Featured Listings

Enjoy sweeping Ocean to River views in this top floor North East corner unit that has been totally and extensively renovated for the most discerning buyer. Imported Italian porcelain tile, granite counter tops, custom walnut wood work throughout, crown moldings, Jacuzzi tub and much more. This spacious unit offers a large open plan and is not your cookie cutter island condo. Enjoy two separate balconies, under building parking, extra storage locker. This is a gated community that spans from the Ocean to the River with docks available for lease (check availability), 5 pools, hot tubs, tennis courts and a fully equipped club house with kitchen available for private functions. Private ocean access. Elevator in building. 1 small pet is allowed.

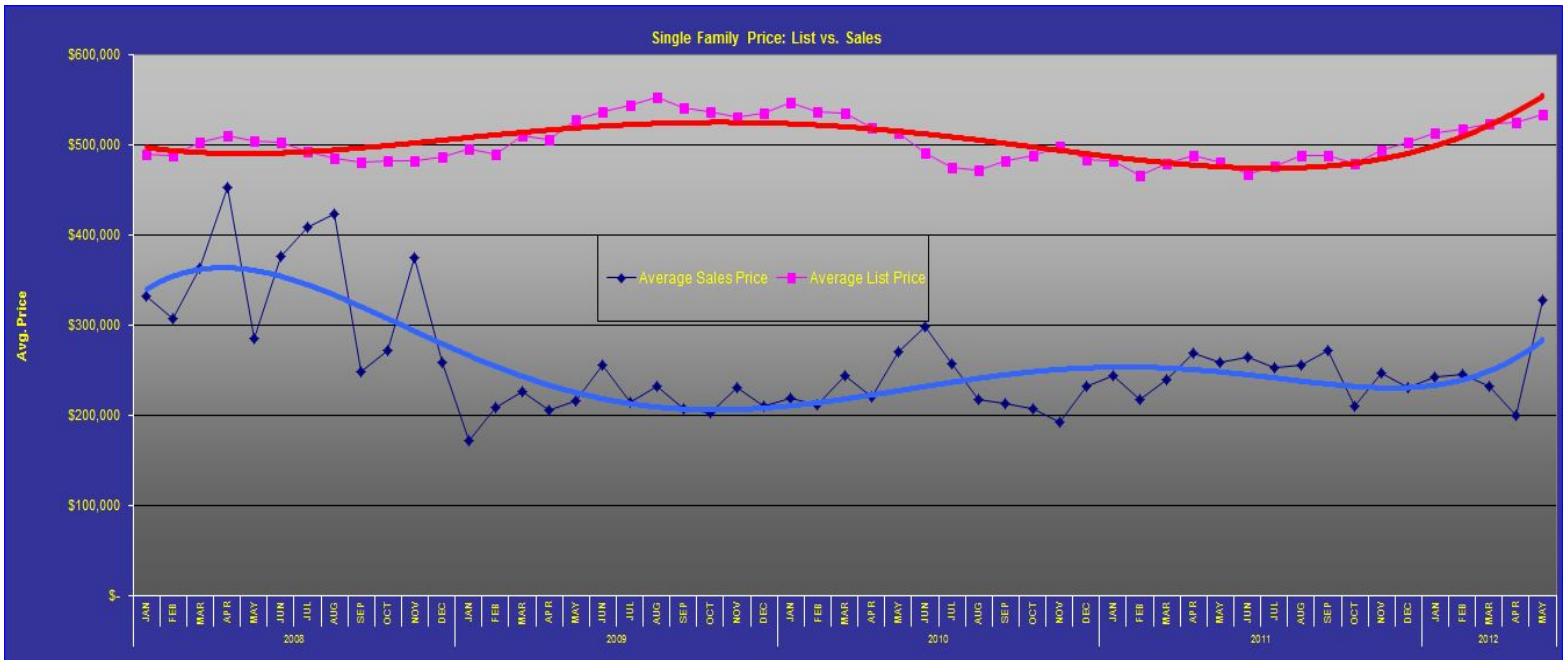


Sandpebble on Hutchinson Island - Offered for \$450,000



A rare gem in beautiful Palm City. Situated on a secluded and private 1/2 acre +, lushly landscaped lot, is this like new 4 BR, 3 BA, Screened pool home with private dock and lift (4,500 LB - but supports will accommodate larger). This 1998 Mercedes Eileen Isle model has been maintained in pristine condition, with a gourmet kitchen featuring new Shirestone counters, newer appliances, newer high efficiency AC, a resurfaced gas heated screened pool with spa all with a view of the length of the canal to the Saint Lucie River. No neighbors in sight from this private setting. Yet close to Martin County's 'A' rated schools, shopping, beaches and downtown Stuart. Only minutes to the blue waters of the Atlantic ocean. An exceptional opportunity.

1645 SW Mapp Road Price Reduced to \$549,000



View the complete set of Martin County graphs at: [www.TreasureCoastFLHomes.com](http://www.TreasureCoastFLHomes.com)



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