

HOUSECALLS

Gabe's April 2018 Stuart Florida Real Estate HouseCalls



Shakespeare had a good run, but is it over?

Born 454 years ago on April 23, William Shakespeare's plays and sonnets are said to make up the foundation of English literature.

Nearly 500 years is a pretty good run, but it appears to be over.

Today, of the 52 highest ranked universities and liberal arts colleges, only four require English majors to take a class on The Bard, according to a study by the American Council of Trustees and Alumni.

Instead, schools offer courses that seem more relevant to young people: vampires, cyborgs, popular film and television. Schools are

increasing readings on race, class, gender and sexuality, according to ACTA.

The four universities that required a course dedicated to Shakespeare were Harvard University, Wellesley College, the US Naval Academy and the University of California at Berkeley.

However, the University of Chicago and Northwestern University have argued that Shakespeare does, in fact, appear in their curriculum, even if a particular class is not devoted to him.

Dilemma: Buy big or big enough

Buying a house might come down to a choice: A big-enough house or the biggest house you can afford?

The choice you make affects not just your wallet, but your lifestyle as well.

Many considerations go into the house you buy and they are just as important, if not more so, than square footage.

According to the National Association of Realtors, the median size of an existing single-family home purchased in 2017 was 1,930 square feet, down from 1,950 square feet in 2016. Square footage in new construction also decreased slightly from 2,473 in 2015 to 2,419 in 2016.

Location is a big factor. If a house is just big enough, but close to work, it could be a better choice than the big homestead. Be sure to figure in the cost of a commute in time and money before choosing the larger house over the just-big-enough house.

Consider neighborhood. Older neighborhoods might have smaller houses, but they also can have stable housing values. For example, buying new construction can be satisfying, but once newer houses are built in the tract, older houses can decrease in value. On the other hand, you still have a new house with all the security that implies.



Welcome the tulips in April!

One thing you don't want to do is buy a house that is too small. Allow some consideration for guests or just a home office.

Think ahead to your future financial needs. Buying the largest house you can afford will lock you into high payments for not just a mortgage, although that is the most dramatic cost, but also higher utilities, taxes, insurance and repairs over the time you own the home. Some of those funds could be directed to retirement, for example.

Here is an example from the Wall Street Journal: If your smaller home saves you \$20,000 each year over the life of the mortgage, you could invest that amount.

That investment during the same time in a stock market portfolio making 4 percent could add up to a \$1.2 million retirement fund.

It's also possible to buy smaller but remodel over time. Pick a smaller home in a desirable neighborhood and renovate.

Ask the Expert



We have enough money to make a down payment on a home right now, but if we wait, will mortgage interest go down?

The past few years with historic low interest rates have changed home buyers' sense of what a normal interest rate is!

Today, the still-low interest rate on a 30-year fixed-rate mortgage is very attractive at less than 5 percent on conforming loans.

It's hard to believe, but in 1981 the interest rate on the same deal would be more than 18 percent -- unthinkable in today's market. The average cost of a home in those days was \$82,500, according to the Census Bureau. If a person took out a mortgage then, with an interest rate of 18.45 percent, the monthly payment, with 20 percent down, would have been \$1,019. That's the equivalent of \$2,500 today, adjusting for inflation, according to Yahoo Finance.

Imagine in that scenario that 82 percent of your payments would have gone to interest.

Today's market, even with a slight rise in interest rates, is still a great deal. The average cost of a home has risen to \$322,700, but only about 43 percent of those total payments would now go to interest. A

Life Changing Ways To Use a Tax Refund

Recent data from the Internal Revenue Service shows that the average individual tax refund in 2016 was about \$3,050 and, depending on how the recipient chooses to spend the money, it could have a dramatic effect on their finances.

Buying a new dining table is one thing -- and it might solve a family's needs -- but using a refund on a down payment for a car or boat puts the family in debt.

Paying off high-interest debt is one of the most effective ways to use a refund because the benefits are two-fold: getting rid of a monthly payment and avoiding future interest payments. Eliminating a credit card with a \$3,050 balance all at once will remove \$76.25 from the budget each month while preventing \$1,210 in interest charges when making only the minimum payment, according to the Simple Dollar.

If a high-interest debt isn't an issue,

then the best long-term move is to put the money into an emergency fund in a high-interest savings account, a Roth IRA, or even a Health Savings Account.

For those with access to an HSA through a high-deductible health care plan, they allow the contributions to reduce taxable income, pay for medical expenses such as doctor visits and medication, and act like a traditional retirement account after the age of 65 making it the most flexible option.

Once savings are at target, using the rebate to invest is an excellent choice to let the money

grow over time. Opening an account with a stock brokerage or peer-to-peer lending platform is the most logical choice, but don't discount the impact investing in oneself can make in the future. Going back to college, pursuing an advanced certification, or even starting a side business can lead to higher pay and higher fulfillment over time.



huge difference.

But will interest rates go down in the next few years? Unlikely.

At less than 5 percent, interest rates are very low. A few years from now, you could reduce the amount of your mortgage by \$10,000 or even \$20,000 but the monthly house payment would be the same or more. That could happen because interest rates will undoubtedly rise over the next few years.

In the meantime, the price you pay for renting a home or apartment will also rise. The monthly payment on a home you buy this year, however, will remain the same, assuming you opt for a fixed-rate mortgage.





Speculative bubble:

The rise and crash of the tulip

Tulips were once worth more than gold and diamonds and it all happened during the 100-year Dutch Golden Age in the 17th century.

Tulips, which had been known and cultivated in Holland as a luxury item since at least 1593, suddenly soared in price.

None more so than the lovely *Semper Augustus*, a tulip with a beautiful variegated coloring. In the mania of tulip buying and selling that arose in 1634, until the tulip market crash in 1637, the *Augustus* reigned and a bulb once sold for the royal price of 3,000 guilders, about \$48,000 in today's dollars.

What neither buyers nor sellers knew at the time (and in fact wasn't known until the 1920s), was that the *Semper Augustus* had red-flamed stripes because the bulb was infected with a virus. The virus 'broke' the color, making lovely variations, but it also weakened the bulb, making it difficult, if not impossible, to propagate. *Semper Augustus* does not exist today, according to GardenOfEden.com.

During the three-year tulip mania in Holland, prices for all tulips skyrocketed. Lots with 40 tulip bulbs are said to have sold for the equivalent of \$1 million in today's dollars.

Like most 'speculative bubbles,' one day the mania just ended. In February 1637, a routine bulb auction was set to begin in the Dutch city of Haarlem and no one showed up. Prices crashed and the bubble popped.

Earth Day 2018

Ocean sweeper set to corral plastic debris

As another Earth Day rolls around, it's easy to become discouraged about huge problems, with no seeming solutions.

The ocean's floating plastic problem is huge but, as it happens, there are some actual solutions on the horizon.

One solution comes from Dutch boy genius Boyan Slat who plans to test his ambitious

ocean cleanup plan this summer.

The scale of the problem is enormous. An estimated 5 trillion pieces of floating plastic garbage inhabit the oceans, breaking into microscopic pieces that kill birds and disrupt sea animal life. Another 8 trillion metric tons of plastic enter the ocean each year.

According to UNESCO, one uninhabited island between Chile and New Zealand is now a garbage patch, with 38 million pieces of plastic coating its formerly white sand beaches.

The worst areas of plastic pollution are in the ocean gyres, areas where ocean currents meet and rotate endlessly, now clogged with plastic debris. There are five such ocean areas, each the size of Texas, in the global oceans. Slat's idea, now funded by millions in contributions, is to deploy 1.24 mile-long solid pipes

which will float on the ocean in a U shape. The pipes will float freely with an array of third-mile deep anchors that provide drag.



Floating plastic and particles will gather in the U-shaped area. Then a cleanup ship will scoop up the debris and take it to land for recycling.

After several tests and changes to the idea, TheOceanCleanUp.com is ready to deploy the first sweeper this year.

Critics of the plan are legion and they make some serious points. For one thing, critics say the plan seriously underestimates how wild the oceans are. Colossal waves may simply snap the pipes. Sea life will colonize the pipes and ultimately sink them. And, the worst plastic is said to be below the surface, not on it, in the form of microplastic clouds inhabiting the seawater.

Finally, critics say that laws and public education are cheaper and more to the point. Disposable plastic should not be used and the earth's 7 billion inhabitants should not throw plastic into the sea.

Photo courtesy of TheOceanCleanUp.com.

Clean up your room!

Your room is you. Clean it up.

That observation from University of Toronto Clinical Psychology Professor Jordan B. Peterson is part of the assignment he gives to patients in his clinical practice.

The concept is practical way for dealing with a chaotic world or a chaotic mind. Peterson says the idea is the first place to start if you want to change your life or change the world. First get your own world in order and start with your room. Then once your room is in order, make it beautiful. Peterson says beauty in one place lifts the spirits and makes it

possible to make other rooms beautiful and, by extension, bring order and more beauty to your whole life.

In his book *12 Rules for Life: An Antidote to Chaos*, he advises people to remember that suffering is normal, a part of life. But everyone can mediate some of it:

- Take advantage of opportunities.
- Don't let bitterness drag you down.
- Make peace with your brother.
- Treat the people with respect.
- Assume responsibility.

In short, he advises: Stop doing what you know to be wrong. Start stopping today.

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Gabe Sanders

REALTOR®
E-Pro, SFR
Real Estate of Florida
2391 SE Ocean Blvd.
Stuart, FL 34996

www.GabeSanders.com

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1 Easter	2	3	4	5 The Master's Tournament	6	7 Passover (End)
8	9	10 Equal Pay Day	11	12 Holocaust Remem. Day	13	14
15	16	17 Income Tax Due!	18	19	20	21
22 Earth Day	23	24	25	26	27 Arbor Day	28
29	30					

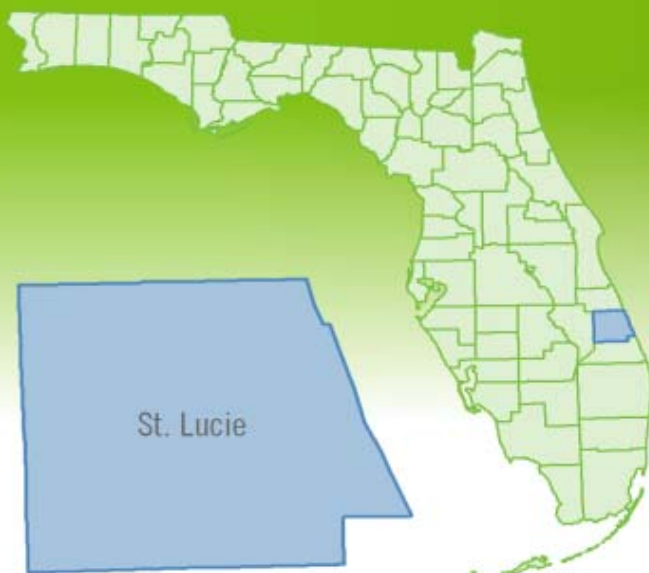
Saint Lucie County Single Family Homes February 2018 Review

Click on the Image for the full report

Monthly Market Detail - February 2018
Single Family Homes
St. Lucie County



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Summary Statistics	February 2018	February 2017	Percent Change Year-over-Year
Closed Sales	386	352	9.7%
Paid in Cash	117	114	2.6%
Median Sale Price	\$208,500	\$195,000	6.9%
Average Sale Price	\$225,051	\$209,544	7.4%
Dollar Volume	\$86.9 Million	\$73.8 Million	17.8%
Median Percent of Original List Price Received	96.1%	95.9%	0.2%
Median Time to Contract	51 Days	48 Days	6.3%
Median Time to Sale	93 Days	88 Days	5.7%
New Pending Sales	541	587	-7.8%
New Listings	670	661	1.4%

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



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