

# HOUSECALLS

BlueWater Realty Services LLC - 1121 SE Ocean Blvd, Stuart - 772-323-6996



Gabe Sanders

## Bon fires are fun in the fall — but watch out!

Summer cleanup may be all but over, but autumn is here, and that's prime time for bon fires. You can enjoy them in your own back yard, picnic area or your powwow location.

But there could be a danger caused by what you're burning. There might be poison ivy leaves and stems among the broken tree branches, garden cleanup stuff and those weeds you pulled from around the yard or growing on a tree. Just as dangerous are poison ivy's cousins, poison oak and sumac.

As they go up in smoke, make a point of not inhaling it.

Urushiol oil in poison ivy, poison oak and poison sumac, is trouble for those with breathing issues such as asthma or COPD, the smoke is especially dangerous.

It can cause a rash to break out in the lining of the lungs, which will bring extreme pain and respiratory problems that could at least require a visit to the ER.

## Ask The Expert

# Count your blessings; Snag that loan

*We are buying our first home and despite all we hear about low mortgage rates, we are getting quoted 4 percent. Isn't this a little high?*

If your credit score is high enough you still should be able to find a conventional mortgage about 3.9 percent, but this could change shortly and interest rates have been rising slightly.

Most first-time home buyers, and young people, don't really understand how low a 4 percent mortgage rate is.

Mortgage rates can shift dramatically over a relatively short time. Look at history.

In 1970 a 30-year fixed mortgage was about 7 percent.

That sounds high compared to today's mortgage rates but these mortgage holders were the winners in a decade of dramatic interest rate increases.

If, in 1970 you thought interest rates were high and you waited to buy a home, by 1979 you would have been in shock. The interest rate in that year was 14 percent and that was not the end of the rocket ride. By 1981, the same 30-year fixed rate mortgage would have cost 17.5 percent!

Just consider how these different interest rates affect

your mortgage payments on a 30-year fixed mortgage (\$100,000 house) if you financed \$93,000:

If the interest rate is 17 percent you pay, \$1,430.04

14 percent? You save a couple hundred a month:

\$1,206.10

4 percent? We are talking low: You pay \$548.16.

In fact, if you average interest rates over 40 years from 1970 to 2010, the rate is 9 percent, according to the New York Times. So when you read that interest rates are historically low, that is a fact.

Of course, in the 1970s, banks were offering very large interest on savings sometimes up to 10 percent. Compare that with the less than 1 percent you get

on savings today. In the 1970s, the \$7,000 in the bank would earn pretty good interest, but today, that money earns less than 1 percent but could make it possible to buy a home at an excellent rate.

If you look at the historical lesson, investing in a house at a low interest rate might work better for you than parking savings at a low rate and paying rent.

Of course, no one can see the future, but in any future scenario, mortgage interest will never be zero.



## The Current Market



### Short supply of homes means buyers should act fast

Some new buyers are finding that the home they want sells for more than the asking price.

This could be because there is a short supply of homes on the market nationwide, according to the Wall Street Journal.

It's simple economics at play: There are more buyers than there are houses for sale. A great house might have more than one bid and that puts pressure on prices. That means some people will pay a bit more to get the house they really want.

Buyers in some areas of the U.S. are offering more than the asking price because there are not enough homes on the market.

At the end of May, there were 2.3 million existing U.S. homes for sale, enough to last 5.1 months. That was below the six to seven months of supply that the National Association of Realtors says is needed for a balanced market.

In June, Realtor.com tracked more than one-third of homes in the 300 largest metropolitan areas. They found that homes selling recently had been on the market less than two months.

Big markets like San Francisco had median times on the mar-

## CoreLogic U.S. Economic Outlook- September 2015

### Household Formation Bolsters Housing Recovery

A stronger pace of household formation has been a missing ingredient needed to bolster the housing recovery. Household formation, which refers to an individual, couple, group or family that forms their own independent living quarters, had been running at very low levels since 2007 but has recently accelerated.



The rate of household formation is affected by two primary drivers over time: Demographic and economic factors. As an example of demographic forces, the post-World War II baby boom led to high household growth, averaging more than 2 percent per year between the mid-1960s and the early 1980s, a period when the boomer cohort attained the prime ages for household formation. Then household formation rates nearly halved between 1990 and the mid-2000s when the smaller birth cohorts of the 1970s were aged in their 20s.

Likewise, the economy has an important effect on household formation. During an economic recession the rate of formation generally slows, reflecting the loss of good-paying jobs. During a recession, young adults may choose to live with family or share housing with roommates rather than get their own home. And job layoffs could force some who had already formed their own household to move back in with relatives. This effect was particularly pronounced during the Great Recession, the longest and deepest recession since the 1930s. Household formation rates fell to the lowest levels recorded since the end of World War II.

Read the rest of the story here: [CoreLogic U.S. Economic Outlook- September 2015](#)

ket of 27 days. It was 38 days in Dallas, and in Santa Rosa, Calif., it was 24 days.

There are several reasons why there is a shortage of homes for sale. Some owners can't sell for enough to trade up. Others still owe more on the house than they could sell it for, but current numbers say that is changing.

More renters want to buy but homeowners can't sell until they find a new house in a tight market.

While more sellers might loosen the market by listing their homes in the near future, neither home prices nor interest rates will remain static. Both will probably rise in the months ahead.



"Wait, someone just sent me a hex message."

## Safe at home: Halloween Thrill-Fest

Halloween is now one of the biggest consumer holidays in America. According to the National Retail Federation's 2014 Halloween Consumer Spending Survey, celebrants spent an average of \$77 each on their costumes, candy, party decorations and greeting cards.

But more parents have safety concerns about their children out in the dark, knocking on the doors of strangers or dashing across the street. Children are more likely to be killed in a pedestrian/car accident on Halloween than on any other night.

You can make a great Halloween scene safe at home with some easy tricks, from YouTube's CrazyRussianHacker.

### *Glowing Jack-O-Lanterns*

Get glow make up you can find at Halloween stores and smear it all over a jack-o-lantern. In the dark, it glows scary green.

### *Balloon Ghosts*

Glow sticks make an especially frightening balloon. Break the stick to make it glow, put it in a balloon, blow the balloon



up. Then draw a face and turn out the lights. Eerie!

### *Gross-Out Pumpkin*

Other tricks with a pumpkin to thrill the kids: Carve your pumpkin, making sure to cut out the top hat. Put a glass inside the pumpkin and fill the glass with ordinary dish soap. Add some dry ice to the soap.

Boom! The pumpkin man spews enough gross, but completely safe, soapy bubbles to delight any 8-year-old.

For treats, make the usual themed cupcakes. Put out the spicy queso surrounded by black and orange tortilla chips. Fill plastic pumpkins with candy corn, apples, mini-candy bars and gummy worms. And fill a cauldron with Dracula's blood punch (add berry vodka for adult version).

### *Scare Me Once*

Then, fire up great movies for the season: *Monsters, Inc.*; *Casper*; and *The Adventures of Ichabod and Mr. Toad* (G rated)

*Halloween*; *Hocus Pocus*; *Scooby Doo*; *Raiders of the Lost Ark*, *Batman: Mask of the Phantasm* and *Beetlejuice* (PG rated for the not-so-squeamish)

*Young Frankenstein* (for the squeamish) *The Monster Squad* (for the adventurous) *Night of the Living Dead* (zombie fanatics) *The Haunting* (for old movie fans).

## Lenders revive 'rent to own'

Wall Street firms have found a new way to profit from consumers who can't qualify for a mortgage. They're saying, "Let them rent a home first with the option to buy it later."

In the 1990s, rent-to-own agreements were fairly common. They disappeared a few years later when easy lending made it possible for almost anyone to buy a home with no money down. Now that mortgages are harder to get, the programs are making a comeback.

For consumers whose credit rating will improve in a few years, it's a way to get the home they need now.

For investors, it's a chance to profit on the recovering housing market. With rent-to-own consumers get a chance to lock in a home before they can put together a down payment. But it might cost them more than renting, and the price could go up the longer they wait to move from renting to owning. Those who are considering rent-to-own should try to get a guaranteed price on the property.

One of the fastest-growing rent-to-own companies is Home Partners of America. It was co-founded three years ago by former Goldman Sachs executive William Young.

His company has bought hundreds of homes so they can offer them on the contracts. Others say the program is viable and needed, given the tightness of mortgage credit.

## Travelers connect — through their luggage!

Your phone is smart, but how much can it help if your bags are lost?

Soon it will play a pivotal role. Luggage manufacturers are beginning to release high-tech bags that can be controlled via smartphone apps.

Fortune has surveyed the products and provides this information:

Bluesmart is selling bags equipped with a Bluetooth-enabled lock, GPS tracking, a built-in scale and a USB port for charging a device.

Samsonite has a new line of GenTrakR suitcases with built-in LugLoc technology, which allows owner to track their bags.

Andiamo will soon introduce a smart carry-on bag with a Wi-Fi hotspot, battery charger and built-in scale.

Trunkster is selling bags with tracking system, scale and two USB ports.

Delsey will introduce its Pluggage line of smart suitcases next year.

Rimowa, a German luggage maker, is developing a suitcase line with embedded electronic



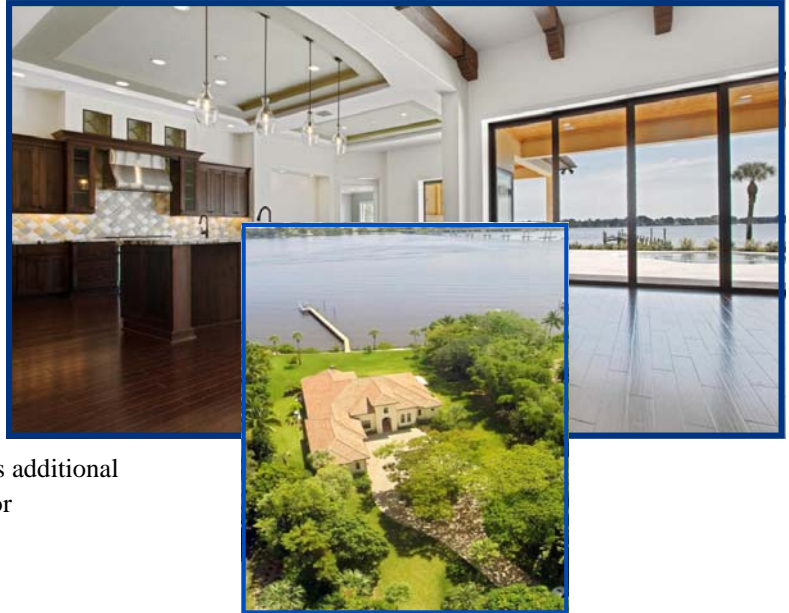
**SAFE TIP: A THOUSAND FIRES EACH YEAR ARE CAUSED WHEN DECORATIONS IGNITE. POSITION CANDLES SAFELY AND BLOW THEM OUT BEFORE RETIRING.**



## Featured Listing

### Snug Harbor Waterfront

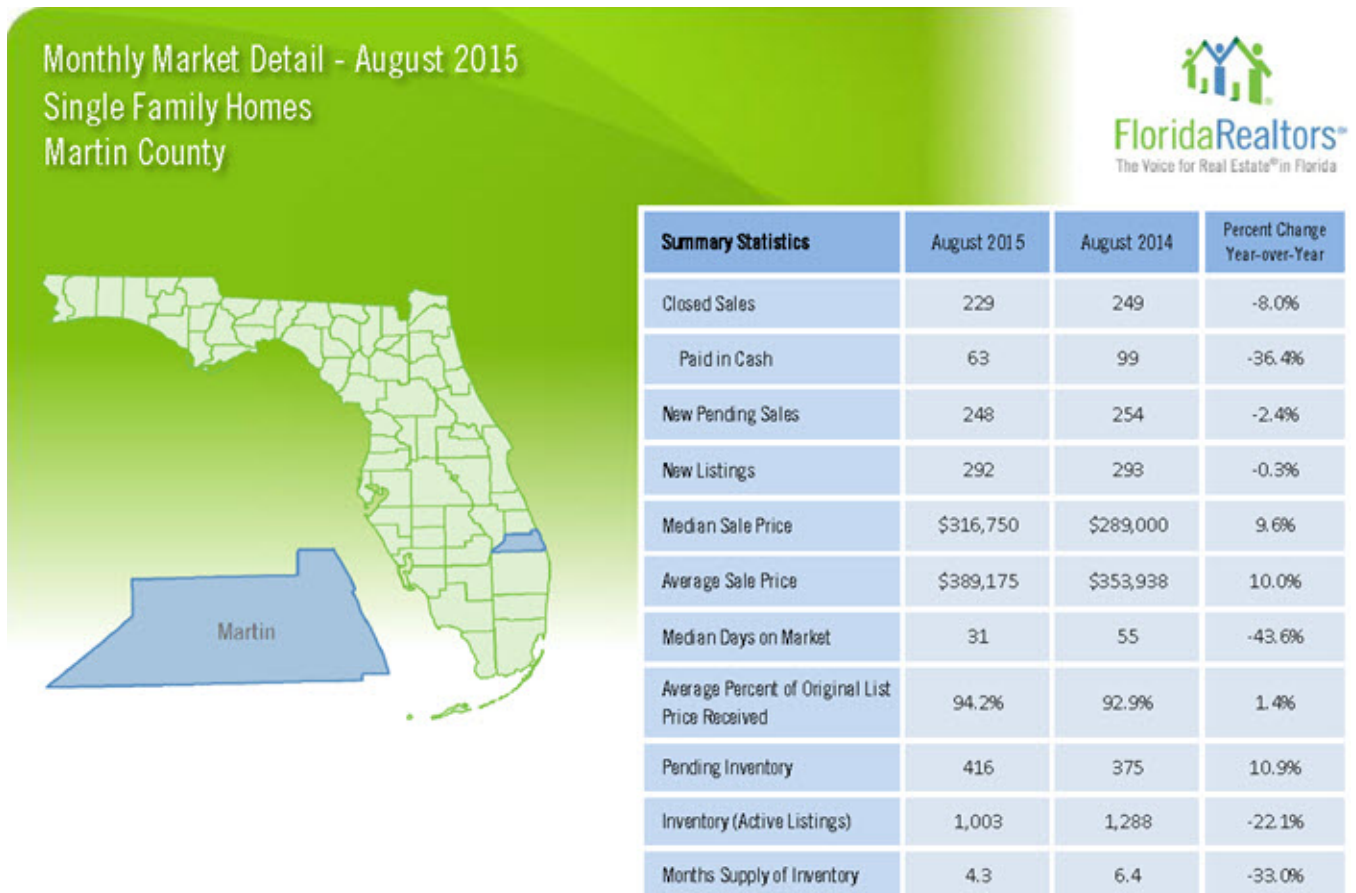
Stunning Arthur Rutenberg Amalfi model has just been completed! Dramatic open floor plan with Architectural details that will please & impress. Solid wood, impact glass double door entry opens into the great room with sweeping Intra-coastal views framed by impact sliding doors that recess completely away combining the indoor living & covered lanai with custom wood burning fireplace. Beautifully equipped kitchen with impressive Wolf & Subzero appliance components provide the tools for serious cooking starting on the six burner gas range, Subzero refrigerator, custom curved island & walk-in pantry which has been plumbed for an ice maker. Just off the kitchen is the Arrival Center which offers additional custom storage & another stainless steel refrigerator



Offered for \$2,695,000

## Martin County Single Family Home Report for August 2015

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