

# HOUSECALLS



## Gabe's October 2018 Stuart Florida Real Estate HouseCalls



### The era of exploration: From Zheng He to Columbus

In the 1400s, the peoples of the world sent Admirals of the sea to sail the globe.

In 1409, China's Zheng He set out with hundreds of 4-tiered ships and tens of thousands of sailors, the largest fleet ever assembled.

In 1405, the Middle East's Ahmad ibn Majid — called Lion of the Sea — was the poet and scholar, documenting the knowledge of a thousand years of Arab global trade.

Finally, Columbus sailed in 1492. Of all the mariners, Columbus sailed with the least knowledge of the globe, the fewest men, and

the smallest ships. He had a fleet of just three ships and a total of 86 men. Unlike the Arabs, with a thousand years of seafaring under their belt, Columbus thought the world was small. He estimated his route from the Canary Islands to Japan to be about 3700 km. In fact, it was 20,000 km. (Lucky for him, he bumped into the Bahamas.) Of the three mariners, perhaps only Majid knew the sea routes of the globe. Zheng He sailed to Africa, India, the Mideast, and Indonesia. When Ferdinand Magellan circumnavigated the globe in 1519, Indonesian islanders still possessed Chinese porcelain.

## How to make sure the home sale goes smoothly

You get a robust offer on your house. You are ready to sell and get on with new plans. And just about that time - the sale falls through.

This is relatively unusual, but it does happen. In 2016, 4 percent of home deals fell apart.

One reason: The eager buyer takes a loan for new furniture or a brand new car to park outside the new home. Bad idea. Even when credit has passed a pre-approval check and the final loan approval seems imminent, that is the worst time to put a ding on a credit report.

During this time, home buyers do not want any credit inquiries on their report. There should be no large financed purchases. There should be no large changes in bank balances. This might prompt the lender to suspect the buyer needs money from family to cover closing costs. Most importantly, large financed purchases can change the income-to-debt ratio, causing an increase in the interest rate, or



killing the home deal completely.

Buyers are well advised to do nothing that could change their credit profile until the deal closes.

Lien issues can also get in the way. It's possible that a lien is discovered on the property, preventing the seller from legally transferring the property to the buyer. This could be an ex-spouse listed on the title, and suddenly unwilling to sign off. Unpaid taxes. Unpaid debts. There can be no liens on the property.

Home inspections can uncover prob-

lems that trouble buyers, so much so that they back out of the deal. The fact is that inspections nearly always uncover some problem, but the big ones -- roofs, HVAC and water issues -- can cause a buyer to reconsider. Some deals can be saved if a seller agrees to a credit as compensation.

Appraisals can come in low. Buyers nearly always pay for the appraisal, but if

it comes in lower than expected, the lender might be unwilling to finance. To avoid this, get a real estate agent to provide comparable home sales before the purchase contract.

Finally, when a buyer must sell an existing home before signing a new contract, but hasn't been able to do so, the deal can fall apart. Some buyers might qualify for a bridge loan to make the mortgage payments on two properties.

Somehow, although many things can go wrong, most deals stay together.



## Ask the Expert

*I have saved like mad for a down payment on a house, but now I find my credit score isn't good enough. Do I have to make more money or what?*

Congratulations on your savings. Now, you have to improve your score but that doesn't require a new job.

Many don't realize credit scores have nothing to do with income. A person making \$20,000 a year could have a credit score equal to another making \$100,000. The credit score tells lenders only one thing: How likely you are to pay back the loan.

It predicts this by considering five questions:

1 Do you pay your bills on time? Your payment history is worth 35 percent of your credit score. Pay on time, every single time. Never be late.

2 Are you responsible with credit? Credit utilization counts as 30 percent of the score. This is the total of your credit limits divided by your total credit balances. Use no more than 30 percent of your credit.

3 Are you experienced with credit? The older your length of credit history, the better it is for your score. It counts 15 percent.

4 Are you applying for a lot of credit now? New credit accounts can hurt

## Home Fixes That Cost Money to Delay

In a home, small problems can quickly become big expensive ones, according to Home and Garden Television.

Mold, for example, is a typical problem in wet places like the bathroom or kitchen but when it surfaces on bedroom walls or inside closets, it's time to call a professional.

Floors that slope, sag, or seem otherwise unstable could have one or more of a variety of reasons for the issue, according to Home Advisor. In older homes, there could be deterioration of the wooden structures themselves due to conditions like rot. In other cases, the flooring joists, sills, sub-floor, or even foundation could be installed incorrectly from the beginning which could require extensive repairs. In any case, a contractor or a structural engineer can diagnose the problem as early as possible to reduce potential costs.

It's easy to forget about window maintenance but it's also easy to prevent problems.

In new windows, weep holes at the bottom edge of storm windows allow water to drain out, according to Family Handyman. But these small holes can become clogged if not cleaned regularly. Plugged weep holes will eventually force moisture into the home or even cause damage to the window itself with enough water buildup.

In water heaters, remember that sediment can build up inside over time. Partially emptying the tank once a year can dramatically increase its lifespan.

Refrigeration units should have their coils dusted and vacuumed regularly.

Garage door springs should be lubricated at least once a year to help prevent loud or broken springs.



your score. Don't apply for a number of credit cards in a short period of time. This makes it seem as though you are having a financial crisis. Never apply for credit before you apply for a mortgage.

5 Do you have experience with different types of credit? This counts the lowest toward your credit score at just 10 percent. Auto loans, mortgage loans and bank cards are different types of credit. Over time, consumers naturally acquire these types of credit. Stay with the accounts you have and pay them on time.

These days, a credit score of 720 to 750 is usually required for a home loan. However, FHA loans are more lenient. So, you don't need to raise your income. Instead, make wise credit decisions and watch your score rise!



"It's a conflict between your hardware and your software. Your cauldron won't support Eye Of Newt 3.0."

## The One-Year Plan for better credit

1 Go to [annualcreditreport.com](http://annualcreditreport.com) and get a free report. Correct any errors.

2 Pay your bills on time. You must never be late even once.

3 Work on getting your credit balances below 30 percent of your maximum credit limit.

4 Do not apply for new credit, but if you are offered an increase in credit limits on your existing accounts, take it. This might raise your score.

5 Do not make new credit charges.

6 If you have unused credit accounts, don't close them. That can actually make your score drop.

7 During your credit improvement year, don't buy a car. Lenders don't want to see buyers committed to new, large credit accounts. Don't open credit accounts before you apply for a mortgage.

8 Use caution with store accounts that offer a discount on purchases if you apply for a card. Although some stores say they do not make a hard credit inquiry, a new account on your credit report is not what you need.

However, if your credit history is thin, you might take out a store account, providing you make several payments on time and then pay off the balance.

## It's fun to build a scarecrow: Here's how

It's too late to celebrate Build a Scarecrow Day. That was July 5th, but it was for gardeners and farmers. That was also Workaholic's Day, so building a scarecrow gave those folks a break.

Your fall scarecrow will be more festive. You can dress it in whatever outfit you like from formal on down, because it doesn't have to scare birds away. It can stand, sit, or lean.

Decide if your work of art will be stuck into the ground or tied to a fence, drain-pipe or whatever. If it goes into the ground, the main pole will be longer.

\* Cut a 10-foot stake or piece of bamboo into two pieces, one 6-foot piece (shorter if it won't go into the ground) and the other 3 or 4 feet long.

\* Place the smaller section across the 6-foot piece about 1 foot down from the top. Secure with wire or twine.

\* Put a shirt on the crosspiece and button it. Stuff it loosely with hay, dry leaves or rags.

\* Secure stuffed gloves to the ends of the arms with a rubber band.

\* Some people tie another small section onto the long stake to make a waist for the pants. Others just tuck in the stuffed shirt and secure the pants to the main stake with rope or twine.



\* Pull one leg of a pair of trousers onto the stake. The other leg hangs freely. (You could bend it at the "knee" to rest on a bale of hay or planter.) Stuff the pants with the same material as the shirt.

\* Make a head for your scarecrow by stuffing a pillowcase and using marker pens to make the face or gluing on buttons for the eyes. Make the mouth from yarn.

\* Tie the opening onto the stake with a rope. Add a hat for more interest.

## A precious spice, a secret island and a bad real estate deal

Nutmeg — part of your pumpkin-spiced latte — was once so rare that it grew mainly on an obscure string of volcanic islands in Indonesia.

One island in particular was a rich source of nutmeg and the focus of a notable real estate deal.

Run island is just 2 miles long and less than a mile wide. It is a molecule in the Banda Island chain, which is a speck in the Maluku Islands of Indonesia. Yet, this tiny island's nutmeg made it part of centuries of war for spices and, ultimately, a real estate deal gone bad.

In the West, in the 1400s Europeans were hungry for nutmeg. It's slightly sweet taste and pungent aroma added excitement to bland foods such as puddings, potatoes, vegetables, and mulled ciders.

But, cost of the spice was soaring. Middle Eastern traders maintained a



monopoly on secret trade routes and raised prices until nutmeg was as expensive as gold. In the late 1400s Europeans set out to find the secret sources of spices in the Far East.

Little is known of how the Arabs administered the spice trade. But, by the 1500s, with the new printing press in full operation, Europeans documented their successful search for trade routes -- and the bloody massacres and warfare for control of Run, the spice islands, and for the spice monopoly. The spice monopoly

changed hands many times from the Portuguese to the British to the Dutch.

Today, the island of Run with its 2050 souls is nearly as isolated as it was during the spice wars 500 years ago. Run is 12 hours away by boat from major islands. No planes. No internet. No electricity (except for three hours at night). No cars. No doctors.

Besides nutmeg, Run is known today for being part of a most remarkable real estate transaction, thanks to the spice wars. In 1667, the British and Dutch ended a 60-year war by trading islands with each other. The Dutch got Run, which was a pretty good deal because it cemented their monopoly on the spice.

The British got the worst end of the deal, at least until real estate prices rose. They got an unpopulated, unremarkable island in the New World: Manhattan.

# October 2018



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Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 ADOPT-A-SHELTER-DOG MONTH.	2	3	4	5 World Smile Day	6
7	8 	9	10 World Mental Health Day	11	12	13
14	15	16 Boss Day	17	18	19	20
21	22 Nat'l. Nut Day	23	24 United Nations Day	25	26	27
28 Nat'l Chocolate day	29	30	31 Halloween 	FIRE PREVENTION MONTH		

## St. Lucie County Townhouses and Condos August 2018 Review

Click on the Image for the full report

Monthly Market Detail - August 2018  
Townhouses and Condos  
St. Lucie County



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Summary Statistics	August 2018	August 2017	Percent Change Year-over-Year
Closed Sales	134	101	32.7%
Paid in Cash	72	61	18.0%
Median Sale Price	\$169,900	\$191,000	-11.0%
Average Sale Price	\$277,385	\$231,838	19.6%
Dollar Volume	\$37.2 Million	\$23.4 Million	58.7%
Median Percent of Original List Price Received	95.5%	95.4%	0.1%
Median Time to Contract	48 Days	59 Days	-18.6%
Median Time to Sale	88 Days	105 Days	-16.2%
New Pending Sales	111	117	-5.1%
New Listings	149	101	47.5%

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



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