

# HOUSECALLS



The Gabe Sanders BlueWater Realty Team of the Treasure Coast



## Big pantries become multi-purpose rooms

Today the kind of homeowner who wants all granite countertops also want something else; Pantries, big ones.

As they become more open, kitchens are merging with family rooms as the place for entertaining. So homeowners are moving the clutter and noise out of sight. Home builders say 85 percent of respondents put a walk-in kitchen pantry on their "most wanted" list. In addition to built-in coffee pots, and a washer and dryer, the pantry may have a desk, TV and counter space. And it

can be a place for boots and coats.

Some view the pantry as a second kitchen with its dishwasher, refrigerator, freezer and large work surface. It also reduces the number of cabinets needed in the kitchen so the kitchen can be more decorative, says The Wall Street Journal.

In the mid- to late 1800s, the "butler's pantry" was a room off the kitchen for storage and where food was prepped for cooking.

Pantries all but disappeared in the 1950s and didn't return until the 1990s.

## Happy New House Birthday!

*The year you were born predicts when you will buy a house*

Two new generations are taking over the new home economy for 2015.

Buying their first homes in 2014 and 2015 will be Generation X, born from the early 1960s to 1976 and Generation Y, the first part of the Millennial generation, born from 1977 to 1994.

Like almost every generation, their life spans have included economic slow times, but the good news is consumer confidence today is growing.

While the American economy is slow-poking its way toward full recovery, it is nonetheless growing more and recovering more with each passing year.

Generation X and the early Millennials will be seeing friends and former classmates invest in homes this year.

It's important that this new generation prepares itself for home ownership, one of the main avenues for wealth and security.

To prepare for home buying, the new generation will have to pay close attention to credit scores, one of the most important factors in buying a home. There is room for optimism there. Lenders are increasingly loosening standards for credit scores. In addition, FHA insured loans can give a first-time borrower lower down payments, lower closing costs and easi-



er credit qualifying.

You must have two lines of credit to qualify for an FHA loan. If you are planning on buying a home soon, make sure you have credit and you pay on time.

Credit scores are important. FHA requires a credit score of at least 580 for maximum financing. Lower scores, down to 500, can mean a borrower would have to put 10 percent down on the home.

In fact, plan on a down payment of at least 10 percent. Some

lenders will require more, even up to 20 percent.

Lenders will look at total debt, also and that includes student loans. Many lenders will require that your total debt, including mortgage, be no more than 45 percent (or even 35 percent) of your total pretax income.

Some first-time buyers may wonder if it is all worth it. After all, real estate has had a bad rap since 2008 and many are wary of getting into it. But, home values are rising every year. That means the homes bought now will be worth more next year and beyond.

The payment on a 30-year mortgage will never rise. The same can't be said for apartment and home rentals, which are predicted to go up by 3 percent each year. And none of that goes back to your net worth as home equity.

## Ask the Expert



### Ask the expert:

We have some investment money available and wonder if buying an apartment building would be a good idea. What do you think?

Many indicators are in favor of apartment ownership.

There's a lot of pent-up demand for apartments from millions of 18- to 34-year-olds looking for a way out of their parents' homes. About 22 million of them still live at home, which is way more than the long-term average for that age group.

There has been quite a bit of new apartment construction this year. Up to 240,000 new units, vs. only 160,000 in 2013.

The vacancy rate in some cities is as low as 2.6 percent, but the national average is 4.4 percent, which is still pretty favorable. And they predict rent increases of about 3 percent in the next few years.

Traditionally, lenders ask for a 50 percent down payment on rental property loans. If you buy a four-unit building and intend to live in one of the units initially, you would still qualify for a super-low down payment on an FHA loan.

Regarding interest rates, now could be a better time to buy than next year. Rates are widely expected to rise.

Economists and other experts expect a rise of at least 1 per-

## How to Make Sure Your Fireplace is Safe

Here's what to look for to ensure your fireplace is safe and up-to-snuff.

How do you keep your fireplace safe? The best tools you have are your eyes.

With regular visual inspections both inside your home and out, you'll make sure your fireplace is in good shape for the burning season.

### Checking From the Outside

Examine the chimney to make sure a chimney cap is present and in good repair. The metal cap keeps animals, rain, and snow out of the chimney, while acting as a spark arrester that prevents hot embers from landing on your roofing.

If you have a multi-story home or a steep roof, play it safe and use a pair of binoculars to check the chimney cap from the ground.

While you're at it, make sure: There's no bird nest or debris buildup on the cap. There are no tree limbs above or near the chimney.

The mortar and bricks on the chimney aren't crumbling or missing. The chimney rises at least 2 feet above where it exits the roof.

The chimney crown — the sloping cement shoulders at the top of the chimney — is beveled, which helps air flow.

The flue liner is visible above the chimney crown.

The chimney is plumb and not leaning to one side or the other.

The roof flashing is tight against the chimney. If you spot anything amiss, call a licensed chimney professional or mason to remedy the problem. For pricey jobs, make sure to get a second estimate.



### Looking Inside Your Home

With a flashlight, inspect the flue damper to make sure it opens, closes, and seals properly.

"If the damper doesn't seal well, you'll lose a tremendous amount of heat from the home when the fireplace isn't in use," explains Gary Spolar, a licensed sweep and owner of Century Chimney in north-east Ohio.

With the damper open, check the flue for combustible material such as animal nests or other foreign objects. You should be able to see daylight at the top.

Inspect the fireplace surround, hearth, and firebox to make sure there are no cracked bricks or missing mortar. Damage inside the firebox is serious — have a professional fireplace and chimney inspection. An inspection costs \$79-\$500.

Also, check for obvious signs of moisture inside the firebox, which could mean a faulty cap.

### Inspecting a Gas-Burning Fireplace

We enjoy gas fireplaces because they're low-maintenance — but that doesn't mean they're no-maintenance. You should:

Inspect the glass doors for cracks or latch issues. Check that gas logs are in the proper position. Turn gas off at the shut-off valve and test the igniter.

Ignite the fire and look for clogged burner holes. If present, turn off gas and clear obstructions with a pin or needle.

cent in 2015. They calculate that on a typical home, the monthly payment would be around 12 percent higher. They don't say whether that rise would be the same for an apartment building, but they do predict that buyers will be less enthusiastic next year.

The Mortgage Bankers Association says homeownership in the United States recently dropped to 20 percent, the lowest level in many years and won't rise much in 2015 if interest rates rise again.

That means more individuals and families will be choosing to rent, so there would be more prospects for your property.



"It's not his knee. It appears his feelings are hurt and the team psychologist is rushing out onto the field."

## Investing 101: What is an ETF?

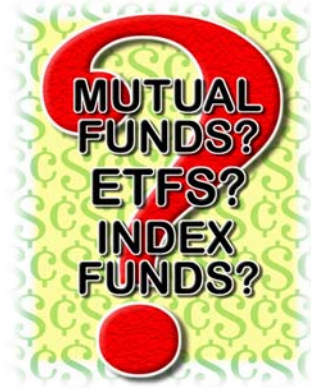
If you are investing a large chunk of money, such as a rollover from an IRA or 401 (k), an ETF is probably a good way to go, according to CNN Money.

But what exactly is it?

An ETF is an "exchange traded fund" and today there are more than 900 on the market.

ETFs are created to follow the value of certain industries -- oil, for example -- or market segments, such as a group of small businesses, or even whole countries.

ETFs follow the performance of a sector, just as an index fund does. The difference is that an ETF can trade just like a stock and trading costs are low. Index funds trade with commissions. ETFs are usually commission free, according to Forbes.



In addition, ETFs are bought and sold by institutional investors during the trading day so the value can change during the day. Mutual funds, for example, are valued at the end of the trading day.

Mutual funds are managed funds.

Forbes contributor Mitch Tuchman

writes that, at one time only the wealthiest investors could afford a professional to follow the market. Today, mutual funds rely on a professional advisor to actively manage investments on behalf of many others, for a fee. The idea is that the professional investor will do a good job making the mutual fund grow. Mutual fund fees can be expensive.

In 1976, Vanguard created the first index fund on the idea that constant trading was less effective than just staying invested. Index funds keep up with a broad index of stocks and do it cheaply. Hundreds of index funds are available today.

Meanwhile, ETFs, like index funds, are baskets of assets, according to Investopedia. Just like an index fund, the ETF tracks the value of its market, providing investors with a steady benchmark at minimal cost. But the difference is that Index funds are costly to trade, while ETFs often trade commission free, according to Tuchman.

Today, not all ETFs are designed to mimic index fund. Tuchman writes that if you want the flexibility of an ETF's low trading cost and performance similar to an index fund, it's best to use only the largest, most widely traded ETFs on the market.

### A new fix for reverse mortgages

A new rule on reverse mortgage loans made after August 4, 2014 will protect younger spouses.

Before this rule went into effect a man old enough to qualify for the reverse with a wife, for example 10 years younger, would have a problem. If the husband died or left, the wife would have to pay off the loan, most likely by selling the house.

Under the new rule, younger spouses can stay in the home as long as they want to if it is their primary residence and they pay the property taxes, hazard and mortgage insurance and the cost of maintaining the property.

The new rule comes at a cost. Previously, it was the age of the qualifying older spouse that determined what the payout would be. Now, lenders will factor in the age of the younger spouse when calculating the reverse mortgage payout. The younger spouse and the longer loan will mean a smaller payout.

You can get a rough estimate of how much of a reverse mortgage you'd qualify for with the calculator at [www.reversemortgage.org](http://www.reversemortgage.org).

Thanksgiving was never meant  
to be shut up in a single day.

Robert Caspar

### Church worship keeps up with the times

Religious congregations in the United States are frequently marching to their own drums says Kathy Lynn Grossman of the Religion News Service.

The National Congregations Study's latest look at our churches is the third wave of studies that began in 1998. It finds that more congregations:

- \* Open their doors to gays and lesbians in membership and leadership; 48 percent of congregations had gay or lesbian couples in 2012.
- \* Show racial and ethnic diversity in pews.
- \* Encourage hand-waving, amen-shouting and dancing in the aisles.
- \* Disconnect from denominational

ties, doctrines and rules that might slow or block change. Nearly one in four congregations describe themselves as non-denominational.

In 2012, only 11 percent had an all-white membership. About a third of congregations include Hispanics, and nearly a quarter have Asian members. There was an increased rate of black and white interracial marriage.

The trend toward informal, entertaining and exuberant worship continues to climb; 80 percent of black Protestant congregations say people shout or dance during the service, up from 66 percent in 1998.



## Featured Listing

### Totally Updated Danforth Home

Welcome home to your fantastic lakefront property in the desired gated community of Danforth! Walk through the front doors and take in the sweeping lake views! This home is custom designed with a bright and open concept, featuring four bedrooms, three full bathrooms, a kitchen-great room combination, screened & heated pool, covered lanai, and two-car garage. NEW RENOVATIONS in 2014 include: wood kitchen cabinets and emerald quartzite counters, salt water pool pump, tile floor accents in kitchen and bedroom, master closet wood shelves, hot tub remote temperature and jet controls, new bedroom shutters, new light fixtures, new sinks, new bedroom vanities and mirrors, hurricane shutters and garage door, and so much more! Call today for a private showing

Offered for \$350,000



## Florida Townhouse and Condo Report for September 2014

Click on the Image for the full report

Monthly Market Detail - September 2014  
Townhouses and Condos  
Florida



Summary Statistics	September 2014	September 2013	Percent Change Year-over-Year
Closed Sales	8,622	8,455	2.0%
Paid in Cash	5,648	5,696	-0.8%
New Pending Sales	10,048	9,926	1.2%
New Listings	13,811	13,615	1.4%
Median Sale Price	\$142,700	\$130,000	9.8%
Average Sale Price	\$223,174	\$199,314	12.0%
Median Days on Market	57	51	11.8%
Average Percent of Original List Price Received	92.6%	94.2%	-1.7%
Pending Inventory	17,726	21,471	-17.4%
Inventory (Active Listings)	51,583	48,994	5.3%
Months Supply of Inventory	5.8	5.3	8.0%

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

Click on the name of the region above to view the reports.



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