

September 2011 Edition

HOUSECALLS



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Google Searches and Real Estate

Do Google searches tell us anything about what people are buying or the state of the economy?

According to Nick Colas, Convergex Group Chief Market Strategist, Google searches are 'off the grid' indicators of what may be happening out there in the economy.

One of the most interesting points, is that, since 2007, searches for the phrase 'buy a house' or 'buy a home' have increased 1.5 points. This may suggest that more sales will be in the works in six months or so as people take advantage of low interest rates.

Lower Down Payments and Interest Rates Make a Home More Affordable Now

Over much of the last dozen years, there was a great chorus of people claiming they were locked out of homeownership. Prices were just too high.

Those conditions have changed. A median-priced home now represents a smaller percentage of household income than it has in the past 10 years or more.

Smaller Down Payments Available

High down payment requirements have been a problem for many would-be buyers. Now, many banks credit unions will accept a down payment as low as 5 percent. Mortgage brokers know of lenders who will accept a lower down payment as well.

Now's the Time to Jump In

Some buyers are still on the fence. They think home prices could fall further by a few percentage points, maybe by even 10 points though that's unlikely. Maybe so, but low interest rates can make up the difference.



be lower than if you paid 10 percent less for the property at today's rates.

If interest rates climb much more than one percentage point, your monthly mortgage payments will be higher even if you paid 10 percent less.

Where Home Prices Stand

Nationally, prices are slowly edging up. Even in some of the most distressed areas of the country, prices at mid-summer have begun to rise, including markets in South Florida, Phoenix, Austin, Houston, Dallas, Fort Worth and other large cities. The pent-up demand for homes in many areas will cause

prices to rise more quickly in months and years to come.

Foreign buyers are a factor in price increases in vacation spots, especially in southern Florida. For year ending in March 2011, 31 percent of Florida's home sales were to foreign buyers.

For the individual buyer who wants and needs a home, this is a great time to move forward.

Interviewed by Bottom Line Personal, Metrostudy CEO Mike Castleman, Sr., he gives this example.

Low Interest Rates

Say you decide not to buy a home this year because you are afraid real estate values will decline. But if today's low interest rates climb by just one percentage point, your monthly payment on a 30-year fixed rate mortgage would still



Ask the Expert

What's the deal with Fannie Mae and Freddie Mac. Are they still backing mortgages?

Yes, they are, and their interest rates for home buyers are still very attractive. The new limits on mortgage guarantees will affect only homes with a very high price tag.

As of October 1, the federal government is making its oversized footprint shrink where the most expensive homes are concerned.

You may recall that, as an emergency measure three years ago, Congress raised the maximum as high as \$729,750. That was the maximum Fannie Mae, Freddie Mac and federal agencies could guarantee. Now they are taking a step back from huge loans.

The loan limits vary widely by location. They will be higher in places like California and the East Coast and lower in areas where homes generally cost less.

In California, New York, Los Angeles, Washington, D.C. and other high-priced areas, the limit will drop to \$625,500.

In Boston, where the median price of a home is \$322,100, the maximum loan guarantee will be \$465,700. In Seattle, where the median home price is \$287,100, the

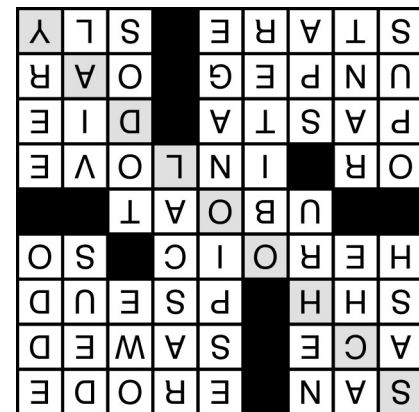
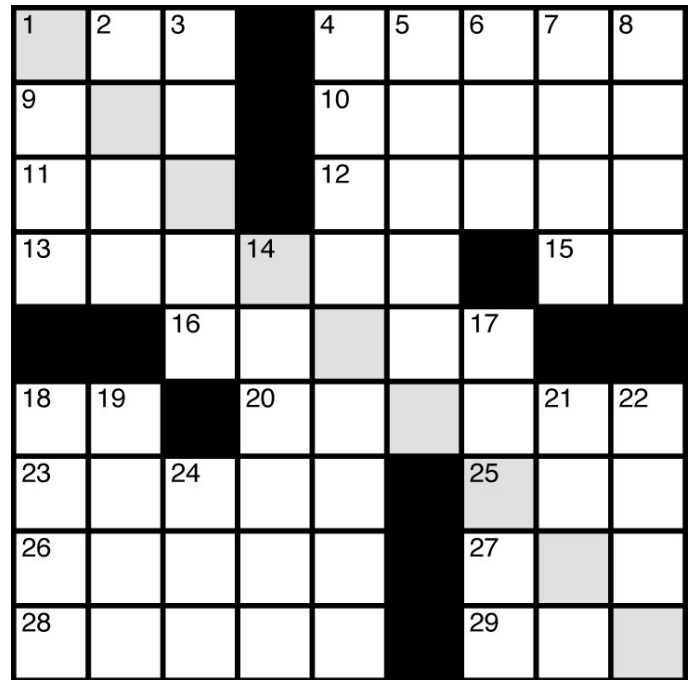
Across

1. ___ Diego
4. Chip away at
9. Duffer's dream
10. Cut wood
11. "Be quiet!"
12. Pretentious sort
13. Brave
15. Thus
16. German sub
18. Beaver State: Abbr.
20. Moonstruck
23. Ziti, e.g.
25. Expire
26. Open, in a way
27. Crew need
28. Gawk
29. Cunning

Down

1. Beauty pageant wear
2. Advil target
3. India's first P.M.
4. Spying
5. Imp
6. "I ___ you one"
7. ___ ex machina
8. Taro root
14. ___ dictum
17. Flaps
18. Big production
19. Deliver a tirade
21. Medicine bottle
22. Mysterious: Var.
24. Massage locale

September Puzzle



maximum loan guarantee will be \$506,000. Many homes in Boston and Seattle are in the luxury category.

If you are interested in buying a larger home, you are in luck right now. Interest rates on jumbo loans are relatively low, averaging just 5.07 percent from banks, lenders and mortgage companies. That's about half a percentage point more than government-backed loans, which carry a 4.62 percent interest rate.

While jumbo loans from banks take less time to close, they generally require higher down payments and income qualifications. Banks must keep jumbo loans on their balance sheets.

Most of us will not be seeking homes with such a high price tag. For you and me, this is the time to buy a more moderately priced home. There are plenty of bargains available, and as you know, interest rates are at record lows.



Assessing the 5 Elements of Wellbeing

Wellbeing is not just about being happy. And it isn't just about having a lot of money or being successful. And it's not just about being physically well.

That's the assessment of best-selling author Tom Rath, who teams up with researcher James K. Harter to explore wellbeing around the world in their new book, "Wellbeing: The Five Essential Elements".

Many people interested in personal and business skill improvement believe they can buy one magic book that will improve their wellbeing.

Unfortunately, that book will examine only one aspect of their lives, the authors say.

Comprehensive Gallup studies of people in many countries show that five universal and interconnected elements shape our lives, no

matter what country we live in.

They are:

- * Career wellbeing
- * Social wellbeing
- * Financial wellbeing
- * Physical wellbeing
- * Community wellbeing

The authors provide a holistic view of what contributes to your own wellbeing over a lifetime.

By the time you are finished reading

this book, you will have a better understanding of what makes life worthwhile and how these elements work together to make it happen. It will help you enjoy each day and get more satisfaction out of your life. Just as important, your own wellbeing can boost that of your friends, family, colleagues and others.

One reviewer says the Gallup studies show short-term satisfaction is an ally rather than an enemy.

Wellbeing: The Five Essential Elements by Tom Rath and James K. Harter, Gallup Press, \$24.95.



Home Appreciation

According to Realty Times, the normal appreciation rate on a home is 6.5 percent a year.

That means during the course of 10 years, a \$100,000 home could be worth \$174,000.

It's the only investment you get to enjoy and personalize during the entire time of your investment.

Stores Move to QR Codes, But What Are They?

Those square, futuristic-looking matrixes are popping up everywhere. They look like abstract art, but they have a much more serious role to play.

You may also see them in newspaper and magazine ads, on product displays, price tags and For Sale signs in front of homes.

They are quick response codes, QRs for short. They can be scanned with your smartphone or tablet computer. When you scan it, you get certain information. For example, scan a QR on your plane ticket, and you'll find out if the plane is on time.

The QRs are one of the new tools retailers and companies are using to connect customers. The industry's leading code maker says they now

making 2 million a month, which is about double their production last year.

Advertisers love them because they're cheap, easy to deploy and can be placed anywhere from a print ad to a price tag or to a billboard.

Macy's has QRs displayed throughout its store, along with signs giving step-by-step instructions on how they're used. More retail companies are moving to QRs every day.



At Home Depot, customers get immediate access to videos telling them how to use the product they are purchasing. Miller Beer put a QR on Lite Beer cans for a special promotion.

According to USA Today, by the end of 2012, half of all Americans will own a smartphone. But a study by Forrester Research shows that, right now, only 5 percent of all smartphone users have ever scanned a QR.

You can even create your own QR on the Web. Many websites offer the service. Search for 'create QR' on any search engine. I used them on sign riders for all of my individual listings in case flyer boxes are empty. It's easy to do!



ESA, SRES, ABR, SFR,
EcoBroker, ePro, MBA





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September



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Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5 	6	7	8	9	10
11	12 "Harvest" Full Moon ☉	13	14	15	16	17
18	19	20	21	22	23  AUTUMN	24
25	26	27 New Moon ●	28	29	30 Tri-Co Parade	Tri-Co Pa- rade



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- Visit my [YouTube.com channel](#)
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<<<< **My Listings as of September 28, 2011** >>>>

In Falls Landing off Mitchell Mill Rd in N Raleigh off Hwy 401N. 2,220 Sq. Ft, 4 BR, 2.5BAs. Large Family Rm w/gas FP, kitchen has lots of cabinet space, w/island. MBA is large with separate Tub/Shower, 2 Car



\$200,000 REDUCED!
www.3222LandingFalls.com

3,000 SF 3Bedrooms 3.5 Baths On 1.85 ac lot overlooking pond. W/2 Car Garage , 2 Story LR, Formal DR, Fam Rm with vaulted ceiling and gas FP. Screen porch. Game room and large bonus with full bath on 2nd. Large. Attic



\$310,000 REDUCED!
www.10704Balustrade.com

3,430 Sq. Ft. 4BR, 2.5 BAs in Historic Oakwood in downtown Raleigh. 3 Story, with bonus Rm and Guest BR and Full Bath on 3rd floor. Gourmet Kitchen w/island. Family Rm w/ Gas FP, multi-level back



\$600,000 Bank Owned
www.403Edenton.com

North Raleigh Contemporary Ranch in Stone Ridge . 4,236 Sq. Ft. 4BRs, 3.5BAs . Updated Kitchen & Baths, Large Garden Rm, Formal LR and DR, Family Rm, Multi-Level Deck, Office, on .92 acre lot.



\$500,000 REDUCED!
www.813ThatcherWay.com

North Raleigh home in Wakefield. 4BRs, 3.5BAs, 2 Story Great Room, Sun Rm, Gourmet Kitchen w/island, breakfast nook. 1st floor Master Suite with W-I-C, Separate Tub/Shower, twin vanities, back deck, 2 car garage. Formal LR



\$350,000 REDUCED!
www.11904PawleysMill.com

3,045 Sq. Ft. 3 BR 2.5 Bas. 2 Story fam rm w/ gas FP. Large kitchen w/ eating nook, 1st floor master w/large MBA, screen porch, bonus room, fenced back yard, On .71 acres w/2 car garage. New AC systems. Irrigation syst allowance



\$325,000 REDUCED
www.65Kensington.com

Creedmoor custom home in Hawthorne off Bruce Garner Rd. 4BRs, 3.5BAs, 2 Story Great Room, Gourmet Kitchen w/island, breakfast nook. 1st floor MBR with Sitting Rm., FP, W-I-C, Separate Tub/Shower, twin vanities, screen porch & deck. .92 Acres, 2 car garage. Formal DR.



\$450,000 REDUCED!
www.3027Krogen.com



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