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**THE BUZZ Today's Real Estate News**

**Are Consumers Cutting Back?**

"Concerns about inflation, dependence on oil and rising unemployment span all income groups and age brackets." While consumers are being forced to prioritize and scale back spending somewhere in their lives, there are some things they refuse to give up.

Nine out of ten Americans said they are cutting back expenses on discretionary spending. Only 11% of Americans believe it was a good time to buy things they want or need, down from 16% a year earlier. There are clear priorities with dining out, entertainment, clothes, vacations and buying lunch the first to be cut.

But that doesn't mean there's no fun to be had. Many Americans are leaving the car in the garage and staying on their living room

couch. A whopping 50% of Americans plan to buy an HD or flat-panel TV in the next year.

Despite the expense, another thing consumers refuse to give up altogether is vacationing and travel. Even in these tough times, 59% of Americans plan to take a trip of 100 or more miles in the next six months—only slightly below the 61% average of recent years.

To combat the rising cost of food, consumers are investing more in growing their own greens and dining well at home. Gardening is having a banner year.

GFK Roper Consulting's results were from multiple surveys conducted between December 2007 and June 2008 and based on a total of 20,000 interviews with consumers aged 18 and older.

**Jams and Jellies Boast A Noble Lineage**

Ever since Roman chef Marcus Gavium Apicium recorded his recipe for fruit preserves in the first century, people have been enjoying jams and jellies on baked goods and morning toast. And why not?

Jams and jellies are not only a quick source of energy (and one that goes great with peanut butter), but also a relatively low-calorie spread for bread. According to the International Jelly and Preserve Association, a tablespoon of butter has 102 calories and 12 grams of fat. But a tablespoon of jelly has only 48 calories and zero fat.

In the U.S., Jerome Smucker in 1897 began the company that would eventually come to be associated with jams and jellies. In that year, he founded an Ohio cider mill to press apples and make apple butter. Early Ohio settlers

thought apple trees essential to their survival, since they provided a nutritious snack and could be used for drinks, like cider, and apple butter which was easy to store.

In 1917, the founder of another famous name is jams and jellies got the first patent on grape jam. Paul Welch sold his recipe for "grapelade" to the U.S. Army and it was a hit among soldiers. Today, 28 flavors of jams lead the market in North America.

Summer is a great time to pick and preserve summer fruits like raspberries, peaches, plums and grapes. For great jam and jelly recipes, please visit [www.allrecipes.com](http://www.allrecipes.com) And remember, homemade jams and preserves make wonderful Christmas gifts too!



**What's New In Northern Colorado Real Estate...**

August 2008

**THE BUZZ**

**New Rules Aimed At Protecting Future Homebuyers**

Well summer 2008 is finally here and the real estate market is very different from three years ago—experiencing the biggest declines since the market peaked in 2005. "Many housing experts say that the spring and summer seasons typically show an increase in inventory turnover, but the true test will be in the fall when the market experiences seasonal weakness," reports Stephen Bedikian, research director of Real IQ.

The current trend of declining home prices isn't necessarily a negative thing. While no one wants to hear that their home values are shrinking, it is a healthy sign that a housing recovery is finally in sight. "Builders, during the peak years of the housing bubble from 2002 until 2006, built more homes than could possibly be absorbed by the normal growth in households. If prices are going to stabilize, the market needs to produce more first-time home buyers than new homes. It is through increased affordability in homes that will bring this segment of buyers back into the market. When entry-level buyers flood the market, they not only stimulate the production of new homes, they purchase existing homes. Those purchases, in turn, allow the sellers to move up and onwards. Without first-time buyers, the food chain is frozen, and the glut of homes continues to pile up."

"Home prices will eventually normalize, and people need to remember that after years of living through a housing market pumped up on steroids, we are now entering the detox phase", says Bedikian. "It may be painful right now, but a brighter housing future awaits us at the end of the tunnel."

National Association of Realtors (NAR) President, Richard F. Gaylord, said buyers are seeing value in the current housing market. Home buyers are starting to get off the fence and into the market, drawn by drops in home prices in many areas and armed with greater access to affordable mortgages. "Today's buyer plans to stay in a home for 10 years, which is a good strategy for building long-term wealth." The national median existing home price for all housing types was \$208,600 in May, down 6.3 percent from a year ago when the median was \$222,700.

"The market is fragile, so a first-time home buyer tax credit (up to \$8,000) and a permanent raise in loan limits would be important steps to get a housing engine humming," reports Lawrence Yun, NAR chief economist.

U.S. Federal Reserve Chairman, Ben Bernanke just unveiled rule changes for home mortgage lenders to help protect consumers from deceptive lending prac-

tices and adds four key protections for higher-priced mortgage loans.

- Prepayment penalties will be banned if the payment can change in the initial four years. For other higher-priced loans, the prepayment penalty period cannot last more than two years.
- Creditors must verify income and assets to determine repayment ability.
- Lenders must establish escrow accounts for property taxes and homeowner's insurance.
- Lenders are prohibited from making a loan without regard to the borrower's ability to repay the loan from income and assets other than the home's value.

All of the rules, except the escrow requirement, will take effect October 1, 2009.

The general consensus is that these changes are overdue and should be implemented in 2008! Smart regulations that protect the borrower will start to give people the confidence that things are changing and the mistakes of our past market won't be repeated. These kinds of policy changes will help people start "feeling safe" to go out and start buying again.

Mortgage Rates For Week Ending 07/25/08	
30 Year Fixed:	6.77
15 Year Fixed:	6.32
5/1 ARM:	6.05
<small>(U.S. Weekly Averages provided by Bankrate.com)</small>	



Mary M. Rhoades  
 CRS, GRI  
 Broker/Owner



Hello, and welcome to the August issue of my newsletter, "THE BUZZ". It's my way of sharing with you pertinent information about today's real estate topics that affect you and our community.

I hope you are enjoying this lovely, warm August and that you've had plenty of opportunity to relax and refresh this summer. This is the last full month of summer before autumn comes near the end of September.

Just as spring is the time to clean up and clean out, late summer is a great time to start thinking about where and how you will spend the fall and winter. Call me if selling your home is on your mind this year! I have advanced training in areas such as finance, marketing and technology. As a Certified Residential Specialist, I am among the top 4% of all Realtors in the National Association of Realtors. Serving you would be my pleasure!

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## Home Front: Down-sizing vs Moving-Up? Or.....



### Simplify Your Surroundings— Is It Time To “Right-size” Your Life?

By Mary M. Rhoades, CRS, GRI,  
and Joanne O’Donnell, Designer.

Tired of maintaining a big house and yard? Got empty bedrooms, a huge family room and utility bills that make you feel like you're being robbed?

You're not alone. Today, mid-life couples and individuals of all ages are scaling back to more convenient living arrangements. That can mean fewer square feet, but an exciting new home design.

In order to visualize your "right-sized" life, visit some of the popular-sized homes designed for people with small families or homes and condos designed for people looking forward to retirement. When you understand the square footage involved and the room arrangements, you will have a better idea of how much you could keep and what you would get rid of. Joanne O’Donnell, designer and owner of Chic Home Interiors says she gives her clients a lifestyle questionnaire so that she can learn what is important to her clients. This allows her the opportunity to help her clients make the best decisions about what things they want in their newly-downsized home.

Sometimes you have to sell the program to yourself, especially if you and your spouse have spent decades making your present home beautiful. A person's identity, however, should not be tied to an oversized home that is difficult to maintain. Rightsizing doesn't always mean going to a smaller place. It could mean going from two homes to one, which creates a big need to cull possessions. Or it can mean adding to a home in order to make room for parents or grandchildren. The important trend today is a shift to well-planned living quarters that suit a person's age, stage of life and situation.

Discussing your wish to right-size will help others accept it. Talk about it with your spouse and your grown children, recommends Ciji Ware in her book “Rightsizing Your Life”. Paring down a lifetime of possessions, and furnishing a new home with things that have meaning will not be easy. “How can that furniture be used in the new home?” says O’Donnell. “Study the configuration of the new home and determine how your existing furniture will work in it. Plan to bring only those items that support the theme of your new home environment”.

Even though most people want to take everything with them, taking only those items that will support your theme will end up creating a lighter load when moving and also will provide you with more space to add appropriate pieces that you might find from your new community. Depending on the size of your home, the process could take from a few weeks to a couple of years. If rightsizing is in your future, better start now.

Whether you ultimately move or not, your home will be better organized and have less clutter.

### Does Moving Up to a Larger Home Make Sense?

By The National Association Of Realtors®

These questions will help you decide whether you're ready for a home that's larger or in a more desirable location. If you answer yes to most of the questions, it's a sign that you may be ready to move.

#### 1. Have you built substantial equity in your current home?

Look at your annual mortgage statement or call your lender to find out. Usually, you don't build up much equity in the first few years of your mortgage, as monthly payments are mostly interest, but if you've owned your home for five or more years, you may have significant, unrealized gains.

#### 2. Has your income or financial situation improved?

If you're making more money, you may be able to afford higher mortgage payments and cover the costs of moving.

#### 3. Have you outgrown your neighborhood?

The neighborhood you pick for your first home might not be the same neighborhood you want to settle down in for good. For example, you may have realized that you'd like to be closer to your job or change to a different school district.

#### 4. Are there reasons why you can't remodel or add on to your current home?

Sometimes you can create a bigger home by adding a new room or building up. But if your property isn't large enough, your municipality doesn't allow it, or you're simply not interested in remodeling, then moving to a bigger home may be your best option.

#### 5. Are you comfortable moving in the current housing market?

If your market is hot, your home may sell quickly and for top dollar, but the home you buy also will be more expensive. If your market is slow, finding a buyer may take longer, but you'll have more selection and better pricing as you seek your new home.

#### 6. Are interest rates attractive?

A low rate not only helps you buy a larger home, it also makes it easier to find a buyer.

### Or....Love The One You're With

By Mary M. Rhoades, CRS, GRI

Trapped in a house you don't want but can't sell? Remember the good-old days when buyers were knocking on sellers' doors the minute the “For Sale” sign was placed in their front yard. Back then, you just had to sell and move to your next home. Others spent time renovating their homes during the boom times to get them ready to trade in.

Well, here's a crazy idea. Rather than tackling improvements as a way to move on up, why not do them to make yourself happier staying put for a while? You might not have a choice. “With home sales down nearly 18% over the past year, it may not be the best time to put your place on the market” says Josh Garskof, Money Magazine contributing writer.

“It was a lot easier to justify trading up when prices kept going higher,” says Daniel McGinn, author of “House Lust,” a book chronicling American's fascination and obsession with homes. “But now that they're stagnating or going down, people are being forced to find ways to turn their homes into places where they want to live.”

So, love the home you currently have!! Here's how to make it more livable while you wait for the rebound. Give your home the features you've been wanting the next one to have, like a master suite with private bath, wood floors, French doors, upgraded kitchen appliances, countertops and cabinets, all the way to creating the perfect outdoor living space.

Don't fixate on each improvement's immediate payback. “As long as you keep the improvements in line with the scale of the house, harmonious with its styling and no more than a baby step fancier than the other houses on your block, you'll get your money back once the market stabilizes,” says Leslie Sellers of The Appraisal Institute.

## Ask An Expert

By Mary M. Rhoades, CRS, GRI



**Question:** We discovered a water leak behind the washing machine and now I think that I have mold. Do I need professional mold remediation or can I clean it myself?

**Answer:** The Environment Protection Agency offers this advice:

Summer's here and the temperature is climbing and so is the humidity. When the humidity levels exceed 70 percent, it can create prime conditions for mold growth in your home.

Indoor molds, often called black mold, can cause health problems, such as asthma and allergic reactions, and can irritate the eyes, nose, throat and lungs. Mold is simple to spot—along windowsills, in the shower or on damp wood. Finding it throughout the rest of your home, however, is not always easy. It can be hidden behind walls that might have suffered previous water damage, under old flooring or carpets, or within the HVAC system. If you walk into a room that smells especially musty, you're probably smelling mold.

Determining who should do the cleanup depends on the extent of the mold. If the area is smaller than 3 feet by 3 feet, you can handle the job yourself. If it's larger, hire a contractor who has experience in cleaning mold.

Take precautions if you do the cleanup yourself. Avoid breathing in mold or mold spores. Many hardware stores carry N-95 respirator masks, which catch most mold spores before they enter your breathing space. Wear long gloves that extend to the middle of the forearm to avoid touching the mold with your bare hands and use protective goggles with ventilation holes.

To prevent mold buildup in the future, fix plumbing leaks and other water problems as soon as you notice them, and be sure to dry everything completely.

**Mary's Tip:** Go to [www.concrobium.com](http://www.concrobium.com) for information on **Mold Control**, a new and patented spray to eliminate, cleanup and prevent mold.

### Green Consciousness—The First Step to Conservation

By Kelly Hart, Green home building expert

People are generally aware these days of the need to shift our ways of living toward a greener life style. But just what this really means can be quite confusing. Is it a matter of becoming educated about which products are better for the environment? Is it a matter of recycling the various materials that come into our homes? Should we get rid of existing appliances and replace them? Should we remodel our home to take advantage of the sun for heating or add solar panels? There are so many possibilities!

The answer of course is that any and all of these considerations may be worth pursuing. But I would argue that the most important thing that you can do is become truly conscious of the principle that lies behind all of these choices: **conservation**.

Once you realize that the bottom line is whether the choice that you are about to make will conserve energy or fundamental resources, and allow this to guide your decision about what to do,

## Dividing Perennials



### How to separate your plants

The crisp temperatures of September and October are just around the corner. You'll notice some changes by the end of August. The cooler temperatures could lure you outdoors making this the perfect time to check your perennials and decide whether they should be divided.

Asters, chrysanthemums, and hostas should be divided at least once every three years. Astilbe, day-lilies, iris, lupines,

primrose, and Oriental Poppies should be split every three to four years. If you've noticed a decline in the number or size of blooms, or if the center of a stand begins to die out, it's definitely time to divide.

Clusters of plants made up of several individually rooted plants are easy to separate. Just dig them up and carefully pull apart small sections of plants by hand.

You can successfully divide hostas without digging them up. Just select part of the plant that is near the edge. Cut down with a sharp shovel, and lift out the separated section. Be sure you get enough root, and the new plant will thrive.

As with all newly divided plants, it's important to replant them immediately and water them well. In fact, it's a good idea to have the new location dug out before separating the plant.

Fall is a great time to organize your garden and arrange flower beds to showcase your plantings for next year.

then you will have mastered green consciousness. It's really that simple.

For most of our lives, abundant energy and resources have been taken for granted, and this is why we are finding ourselves in such a predicament with the consequences of global warming, declining fuel supplies, rising prices of all commodities and a polluted environment. Now it is abundantly clear that we should have been aware of the need for conservation all along. What is needed is a green consciousness revolution. You can be part of this.

Global changes have led us to seek out ways to improve our everyday lifestyle, especially in our homes. The federal government has been a leader in providing us with efficiency information through its EnergyStar program. The EnergyStar logo can be found on eco-friendly appliances, and now even newly constructed homes can carry this seal of approval.