



Annie G's ~ Mountain Musings

May 2009



Grand Entrance

The word mud might not sound inviting, but a mudroom can actually be a welcoming and useful space. Mudrooms, which serve as a transition between the outdoors and the inside of a home, are traditionally found in cold, snowy climates as a place to change out of wet clothes and shoes. But, whether large or small, they're ideal for houses in any climate. They can minimize cleaning (no tracking dirt through the house), maximize storage and help with organization. Whether you already have a mudroom or are thinking about creating one, consider:

Location. Off the kitchen or near the back door are the most popular locations for mudrooms, but garages and utility closets are also prime spots.

Flooring. This is the one place in the house where the floors are supposed to get dirty. Choose a durable, non-slip material tile, stone, vinyl, laminate, concrete in a dark color. And be sure to include a few doormats: a fiber or rubber mat to clean off shoes and an absorbent, washable rug to keep dirt from getting tracked in.

Walls. Surely they will get dinged and scratched and splashed, so choose coverings wisely. Vinyl wallpaper or an easy-to-clean, moisture-proof paint should do the trick.

Seating. Although you likely won't be spending too much time in your mudroom, a place to sit is key. A sturdy chair or bench is useful for removing wet shoes or boots.

Storage. Choose organizing accessories based on the main purpose of the space and who uses it most. If it functions mainly as a staging area for adults, be sure to prominently feature coat and key hooks, as well as a place to sort mail. If kids are the main focus, include labeled storage bins and designated areas for backpacks and after-school activity gear, such as sporting goods. No matter how the room is used, it's a good idea to include plenty of shelving and racks for shoes.

Sources: This Old House, Lowe's

*DID YOU KNOW

In the 1920s, Henry Ford turned wood scraps from the production of Model T's into charcoal briquettes. He built a charcoal plant, which later became Kingsford Charcoal.

Source: www.grilling.com

Today's Average Interest Rates: 05/03/09

30 year fixed	4.25%
15 year fixed	4.35%
5 year ARM	5.00%
30 year jumbo	7.05%

With interest rates so low, now is the perfect time to purchase property!

A Lending Hand



Home renovations can be daunting, but financing them doesn't need to be. Homebuyers considering a fixer-upper and homeowners thinking about doing major rehab work might want to consider an FHA 203K loan.

Often called rehab or renovation loans, 203K loans differ from traditional mortgage loans. Buyers who want to purchase a home in need of repair usually have to secure a loan to buy the property, get additional financing to complete the renovation and then get a permanent mortgage to pay off the interim loans. 203K loans, however, are made based on the after-repair value and include an escrow account, in which the money is dispersed in draws as the necessary renovations are being completed.

Renovation loans can be used in three ways: to purchase an existing home (and the land attached to it) and renovate it; to pay off existing debt on a current residence and renovate it; or to purchase an existing property and move it to a new piece of land. The types of improvements allowed on 203K loans are extensive painting, room additions, decks, bathroom and kitchen remodels, and even going green. Luxury items and improvements are generally not eligible.

Homebuyers need to work closely with their REALTOR® as well as a contractor to get a detailed statement about the extent and general cost of the rehab work and the expected market value of the property after the completion of the

Sources: Department of Housing and Urban Development, 203Kloan.net



fast fact >>>>>

Exterior home improvements, including wood deck additions and siding replacement, can return more than 80 percent of project costs upon resale.

Source: 2008-09 Remodeling Cost v. Value Report

Congratulations Sean & Stephanie, on the purchase of your first home!

Kitchen Heat



Stainless steel appliances. Granite countertops. Not long ago, these were the hottest kitchen features. But now they're expected and practically come standard. What are the next major trends to keep an eye on?

According to a recent National Kitchen and Bath Association survey of more than 200 kitchen designers, cherry and

maple cabinets, quartzite countertops and custom-paneled appliances are hot. Where oak cabinets were once the must-have, more than 75 percent of survey participants now report using cherry and maple, followed by paints and exotic woods. And although nearly all designers believe stainless steel is still the most popular appliance finish, 77 percent say that custom paneling on appliances is becoming more common. Granite is still the most frequently used countertop material, but 65 percent of designers report using more quartzite, another durable stone material.

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material, but 65 percent of designers report using more quartzite, another durable stone material.

One thing that hasn't changed is the trend toward bigger, more open kitchens that accommodate more than one cook and serve as more than just a place to cook. In incorporating these bigger kitchens, the traditional "work triangle" the path between the refrigerator, food prep area and cooking area is being

Warm Banana Upside-Down Cake With Hot Chocolate Sauce

Cake

2 cups salad oil
4 cups sugar
8 large [eggs](#)
12 mashed ripe bananas
8 cups flour
4 tsp. [baking soda](#)
2 tsp. [baking powder](#)
2 tsp. salt
3/4 cup milk 1 T [vanilla extract](#)



Sauce

1 pound [semi-sweet chocolate](#)
1 cup milk
1/2 cup whipping cream



Makes 12 large muffins

Making The Cake

Preheat oven to 350°F. [Grease and flour](#) muffin tins or line them with paper baking liners. Mix oil and sugar together. Add eggs and bananas to oil mixture. [Sift](#) together flour, baking soda, baking powder and salt. Add to mixture. Add milk and [vanilla](#). Make sure batter is well mixed. Fill muffin tins 3/4 full. Bake for 15-18 minutes.

Preparing the Chocolate Sauce

Melt semi-sweet chocolate (preferably Callebaut, but any bakers chocolate will do), in a [double boiler](#) over [simmering](#) water. When chocolate is completely melted and warm, remove from double boiler. Add milk and whipping cream. Stir into chocolate until combined.

Finishing The Cake

Check out Lakefront Listings @:

<http://grandlakemountainproperty.com/Flyers/Lakefrontlistings.htm>

Search all properties in the MLS@:

<http://grandlakemountainproperty.com/homesforsale.htm>

Photos of the Area@

<http://grandlakeimages.com>

Mother's Day Facts

Chinese family names are often formed (begin) with a sign that means "mother". It's a nice way of honoring their mom's long past. **Happy Mother's Day!**

Do you know someone who is thinking about buying or selling a home? Please mention my name. This newsletter is for informational purposes only and should not be substituted for legal or financial advice. If you are currently working with another real estate agent or broker, it is not a solicitation for business



Annie G.

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NAR: Outlook Favorable for Second-Home Market

Despite weakening second home purchases in 2008, the long-term demand looks favorable for the second-home market because there are large numbers of people in the prime years for buying a second home.

Currently, 39.2 million people in the United States are ages 50 to 59—a group that dominated sales in the first part of this decade. An additional 44.8 million people are between 40 and 49, and another 40.7 million are 30 to 39.

“While economic factors can affect sales from one year to the next, the fundamental demand from these large population groups will remain,” says Lawrence Gun, NAR chief economist. “Given that most people become interested in buying a second home in their 40s, the bulge of population approaching middle age should drive the second-home market over the next decade.”

The median price of a vacation home was \$150,000 in 2008, down 23.1 percent from \$195,000 in 2007. The typical investment property cost \$108,000 last year, which is 28 percent below the 2007 median of \$150,000.

“As in the market for primary residences, it appears that many sales of deeply discounted distressed homes are pulling down the median price in the second-home market as well,” Gun says.

Gun says lifestyle considerations are the single most important factor in the vacation home market.

“People are buying weekend homes or recreational property to use themselves or for a family retreat—investment considerations are secondary for most vacation-home buyers with relatively modest interest in renting,” he says.

2008 Second-Home Market Declines

The combination of vacation- and investment-home sales slipped to 30 percent of all existing- and new-home transactions in 2008, according to the NATIONAL ASSOCIATION OF REALTORS®' latest report.

However, more than four out of 10 investment buyers and more than three in 10 vacation-home buyers paid cash for their properties, with large percentages indicating that portfolio diversification was a factor in their purchase decision.

The market share of homes purchased for investment was 21 percent last year, unchanged from 2007, while another 9 percent were vacation homes, compared with a 12 percent market share in 2007. The total share of second homes declined from 33 percent of all transactions in 2007. In 2005, the peak year for home speculation, 40 percent of sales were second homes.

NAR's 2008 Investment and Vacation Home Buyers Survey shows vacation-home sales dropped 30.8 percent to 512,000 last year from 740,000 in 2007. Meanwhile, investment-home sales fell 17.2 percent to 1.12 million in 2008 from 1.35 million in 2007. Primary residence sales declined 13.2 percent to 3.77 million in 2008 from 4.34 million in 2007.

Gun says the findings are understandable given the economic backdrop.

“We expected vacation-home sales to fall given the impact of a declining economy on discretionary purchases,” he says. “A steady share of investment-home sales results from buyers taking advantage of deeply discounted prices in many areas, with a smaller portion of new homes in the sales mix.”

Vacation Home Market Snapshot

The typical vacation-home buyer in 2008 was 46 years old, had a median household income of \$97,200, and purchased a property that was a median of 316 miles from their primary residence; 35 percent were within 100 miles and 36 percent were 500 miles or more.

When asked about their reasons for purchasing a vacation home, 89 percent of buyers wanted to use the home for vacation or as a family retreat; 27 percent to diversify investments; 27 percent to rent to others; 26 percent to use as a primary residence in the future; and 17 percent for use by a family member, friend or relative.

Some other findings on this market: In terms of location, 26 percent of vacation homes were purchased in small towns, 23 percent in a rural area, 23 percent in resorts, 20 percent in a suburb, and 8 percent in an urban area or central city.

Seventy percent of vacation homes purchased in 2008 were detached single-family homes, 18 percent condos, 5 percent townhouses or rowhouses, and 7 percent other.

Sixty-nine percent of vacation home buyers and 84 percent of investment home buyers purchased existing homes; the rest purchased new homes.

Investment-home buyers in 2008 had a median age of 47, earned \$85,000, and bought a home that was fairly close to their primary residence – a median distance of 19 miles.

When asked about the most important reasons for purchasing an investment home, 58 percent said to provide rental income; 38 percent to diversify investments; 19 percent for use by a family member, friend or relative; and 15 percent to use for vacations or as a family retreat.

Twenty-eight percent of investment homes were purchased in a suburb and another 20 percent in an urban or central city area, 23 percent in a rural area, 22 percent in a small town, and 6 percent in a resort area.

Sixty-four percent of investment homes purchased in 2008 were detached single-family homes, 22 percent condos, 8 percent townhouses or rowhouses, and 6 percent other.

Vacation-home buyers plan to keep their property for a median of 12 years; 58 percent plan to keep their vacation home for 11 years or more. Investment buyers plan to hold their property for a median of five years.

Eight in 10 second-home buyers consider it a good time to invest in real estate, compared with 71 percent of primary residence buyers.

The size of the second-home market is significant. NAR's analysis of U.S. Census Bureau data shows there are 8.1 million vacation homes and 40.5 million investment units in the United States, compared with 75.5 million owner-occupied homes.

NAR's 2008 Investment and Vacation Home Buyers Survey, conducted in March 2009, is based on 1,924 responses. The survey controlled for age and income, based on information from the larger 2008 NAR Profile of Home Buyers and Sellers, to limit any biases in the characteristics of respondents.