

Resolve to buy a home in the new year



Joe Garst,
2014 President
Spokane Association of REALTORS®

Opinion

My REALTOR® colleagues and I wish you a warm and cozy holiday season in your home – wherever that may be. If you are in a home new to you this year, congratulations! You are among those who have done the single smartest thing you can do to increase your net worth – buy a home. If you are a renter, there are myriad reasons why you should resolve to buy a home in the new year.

“Homeownership long has been central to Americans’ ability to amass wealth; even with the substantial decline in wealth after the housing bust, the net worth of home owners over time has significantly outpaced that of renters, who tend as a group to accumulate little if any wealth,” according to a recent editorial in The New York Times.

After the recent housing crisis, I have been asked if home ownership is still a viable way toward greater wealth in this country. Confidence in homeownership has been shaken, and many have had to turn to renting (the number of renters has increased nearly 25 percent since the housing crisis). The homeownership rate, in turn, has fallen from a peak of nearly 70 percent in 2004 to a two-decade low of 64.3 percent more recently.

Still, researchers continue to find evidence that homeownership contributes to individual wealth. One example: The Center for Responsible

Lending of Federal Reserve Board’s Survey of Consumer Finances recently found that median net worth of homeowners in 2013 was \$195,400, while at the same time the median net worth for renters was only \$5,400.

The forced savings involved in homeownership is one big way homeowners gather more wealth than renters. Additionally, homeownership requires buyers to save for a down payment and then, as owners, continue to save by paying down a portion of their mortgage principal each month. Renters could invest an amount equal to a down payment plus any savings from renting but most do not. Even if renters were able to save at a rate similar to a mortgage payment, they would be taxed on the interest, have no mortgage interest deduction, have no property tax deduction and be exposed to capital gains taxes. Intangibly, when you have ownership of “your home,” it’s easier to take ownership of “your neighborhood,” and “your schools.”

On a personal note: this is my final guest column here in the Sunday real estate section of The Spokesman-Review as 2014 president of the Spokane Association of REALTORS®. It has been a pleasure representing our members and being the local voice for real estate this year. I look forward to reading the guest columns of Jack Kestell, our 2015 president, with you next year.

It’s easy to unlock all of the advantages of homeownership. Talk with a REALTOR® today!

This article represents the personal opinion of Joe Garst, 2014 President of the Spokane Association of REALTORS®.

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Markets Set to Go Boom

Baby boomers are staying in the work force longer, but they’re eyeing their retirement housing needs now. Here are the markets poised to attract them

A low cost of living and, of course, sunny weather are the keys to attracting baby boomers in retirement.

But as many boomers remain in the work force and delay retirement, many of the metro markets that attract boomers are set for their own boom, according to analysis from the National Association of Realtors.

Looking at population trends, housing affordability and local economic conditions, the NAR identified the top housing markets positioned to see an increase of baby boomer homebuyers in coming years.

Boise, Idaho, and Raleigh, North Carolina – with solid job growth, affordable home prices and share of self-employed workers – were identified as the standout markets.

According to Lawrence Yun, the NAR’s chief economist, metros with a strong local economy, sufficient housing supply and low cost of living are set to see an increase in buying activity, as the share of men and women working past age 65 has increased.

“A broadly improving economy and rebounding home prices are giving baby boomers the opportunity to sell and move to support their retirement lifestyle,” Yun said in a statement.

“Furthermore, our research identified cities movers are gravitating to while remaining in the work force as a business owner.”

The NAR analyzed 100 metro areas that have low state taxes, robust job market conditions and strong migration patterns of baby boomers to that area to determine which markets are likely to see a boost from boomer buying activity. The top market position to see an increase of boomer buyers are (alphabetically):

- Albuquerque, New Mexico
- Boise, Idaho
- Denver
- Fort Myers, Florida
- Greenville, South Carolina
- Orlando, Florida
- Phoenix
- Raleigh, North Carolina
- Sarasota, Florida
- Tucson, Arizona

According to the NAR, boomers represent 30 percent of all buyers, with a median income of \$92,400 and purchased homes that cost \$210,000.

Strategies for Staying Put In Retirement



For those planning to age in place in their current home, it’s essential to ensure the home is properly and safely outfitted for their later years

By Erik J. Martin
CTW Features

The older we get, the more resistant to change we usually become. That’s a big reason why many seniors choose to “age in place,” living out their remaining years in their current homes. But doing so safely and comfortably isn’t always so easy, which is why this option should be planned carefully, say the experts.

A recent survey by the Demand Institute, a nonprofit organization that studies consumer behavior, found that 63 percent of Baby Boomers do not anticipate moving from their current home (of which 62 percent of those polled have lived in for at least a decade). Further, three-fourths of respondents indicated that their residences are places they can remain in as they get older, despite the reality that many of these abodes lack low-maintenance and easy accessibility features.

Among the reason seniors may typically choose to stay put because they have grown children/grandchildren who have boomeranged back home to live with them, they’re still working longer and need to stay close to their jobs, they can’t afford to move, and/or they feel more comfortable in their familiar environment.

“The big advantage of aging in place is that it’s likely more affordable than purchasing or renting anew, especially if your intention is not to downsize,” says

Natalie J. Frazier, agent with Fenwick Keats Real Estate in New York. “The big disadvantage is that your home or neighborhood may not be suitable for your life as an older individual.”

Consequently, seniors who plan to age in place need to be proactive by making necessary home modifications. The first step in that process is to declutter.

“Accumulated belongings that are no longer relevant often get in the way in terms of safety and space,” says Lauren Silverman, president of MOREganized in Glenview, Illinois. “Furniture and belongings should not be positioned in ways that impede movement, and items used daily should be stored in easy-to-reach places.”

Next, the home should be assessed for needed convenience and accessibility upgrades. Chris Donatelli, owner of Donatelli Builders in Geneva, Illinois, recommends the following remodeling projects:

- Step-free entry
- Wider doorways and halls – minimum of 60 inches to be wheelchair-amenable – with barrier-free flow between rooms, especially the bathroom.
- Master bedroom suite located on the first level, if it’s a multi-level home.
- Remodeled bathroom with stand-up shower or walk-in tub, detachable showerheads, grab bars and handrails.

• Simpler operability of sinks, hardware and appliance controls, such as single-lever faucets, pull-loops on cabinets/drawers.

• Open space beneath sinks for wheelchair use.

• Appliances mounted in the wall or located in drawers to avoid bending

• Non-slip, low-maintenance flooring (e.g., solid vinyl/rubber, cork, or hardwood)

• Lower countertops, appliances and cabinets for easier reach, but raised base cabinets to accommodate wheelchair foot rests

• Smarter storage, including pullout drawers and counters, slide-out shelves, and rollout cabinets

• Bright task lighting in kitchen and office areas.

• Countertop, flooring and backsplash materials with colors that contrast for greater visibility.

While many of these projects can be costly, “keep in mind that it’s much more cost-effective to do a custom remodel than build a new home,” Donatelli says.

Lastly, it’s important to consult with loved ones on your decision to age in place and to get their approval and assistance, Terry Martin-Back, broker associate with Exit Realty Producers in Gainesville, Florida.

“They should have family or friends support them in this process,” says Martin-Back. “Allowing seniors to have their independence, if they’re capable of living independently, will create a healthier environment for everyone involved.”

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Nicole has lived all over the world due to the military but is happy to call Spokane home now. She thinks it’s the perfect place for her husband and her to raise their son. Whether you are looking for your first or forever home Nicole will work hard to find it.

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