



## Housing is “Made in America”

New homes are popping up in more and more neighborhoods around the country in recent months, offering one of the most promising signs yet that the nation’s long-suffering housing market is actually starting to heal.

The increase in new-home construction is particularly positive because of the economic benefits that ripple out each time a construction crew breaks ground.

**Jobs, Jobs, Jobs** - New home construction provides immediate jobs to the very area where they are being constructed and is a major generator of American jobs. According to a National Association of Home Builders analysis of government economic data, each new single-family detached home constructed supports 3.05 jobs and each new multifamily unit supports 1.16 jobs. Based on these multipliers and the latest available data on housing starts prepared by the U.S. Census Bureau, the current amount of construction is supporting an estimated 1.5 million jobs.

The Joint Center for Housing Studies at Harvard University has projected that the United States will need to add 16.4 million new housing units from 2010-2020 or 1.64 million units per year, to meet housing needs. If the number of housing starts were high enough to meet the projected demand, the housing industry would generate an estimated 4.4 million jobs, or 2.9 million more than it does currently.

When you create jobs in the new construction housing market, you create multiple jobs elsewhere. To build a house, you’re causing more demand for lumber, furniture, drapes, carpets, cement and appliances. These are all industries that get stimulated by housing.

### **Housing Activity**

January 17th the Census reported that there were 780,000 new housing starts in 2012, a 28% increase over 2011 and the highest level since 2008 but remain way below long-term normal levels.

Based on local permit data Raleigh, NC had the highest rate of construction activity in 2012. Three Texas metros—Austin, Houston, and Dallas were also among the top 10 markets for construction activity followed by Charlotte, NC, Charleston, SC, Seattle, WA, Jacksonville, FL, Orlando, FL and Oklahoma City, OK. None of the top construction markets are in the Northeast or Midwest.

Housing activity and the residential construction associated with it are key elements of the national, state, and local economies. The major housing impacts that economists typically measure are jobs, spending, and tax revenue.

### **Construction Jobs**

Jobs created include the construction workers who are building the structure as well as workers in their firms who support them, such as office managers, cost estimators, and accountants. This also includes the total construction spending on the project itself.

Government data released the last week of January indicates construction employment and spending increased to their highest levels in three years, according to analysis by the Associated General Contractors of America. Nationwide, construction firms employed 5.731 million people in January, a gain of 28,000 from December and 102,000, or 1.8 percent, from a year ago. January marked the eighth straight month of employment growth in the industry.

### **Construction Spending**

Most of the products used in home construction and remodeling are manufactured here in the United States. Ripple effects are in the industries where lumber, concrete, lighting fixtures, heating and cooling equipment, and other products that go into a home are produced comprised as well as businesses providing services such as architectural firms and trucking companies. Induced impacts result when the workers involved in the construction project spend their income in the region at regional restaurants, retail stores establishments.

Construction spending increased for the ninth month in December, finishing at \$885 billion. The figure, which is up 0.9 percent from November and 7.8 percent compared with December 2011, is the most since September 2009.

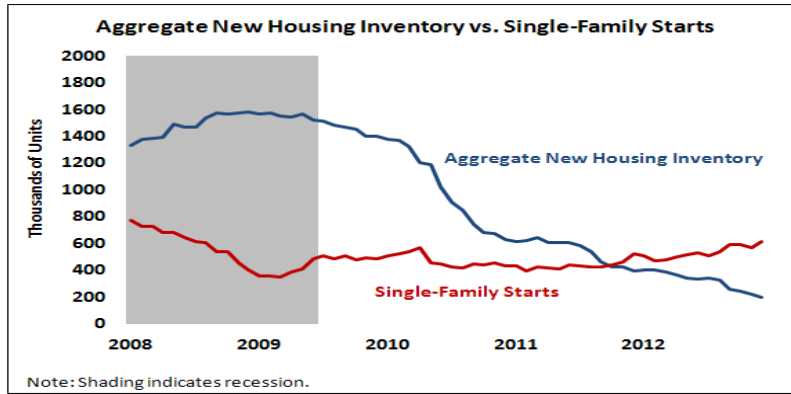
### **Tax Revenue from Property Taxes - In addition to creating jobs, let's discuss property taxes**

The property taxes that you pay are used for a number of important programs and most or all of the money you pay remains inside your community such as:

- **County Level** – Social services, public health, roads and highways, roads and highways, libraries, corrections, sheriff, environmental services
- **City or Town Level** – Roads and streets, police and fire, parks, recreation, libraries, building safety
- **School District Level** – K-12 education, community education
- **Metropolitan Special Taxing Districts** – Transportation, regional sewer systems, public health
- **Other Special Taxing Districts** – Regional parks, regional railroads, museums, watershed management, public housing

### **Gross Domestic Product (GDP)**

Housing contributes to GDP in two basic ways: through private residential investment and consumption spending on housing services. Historically, residential investment has averaged roughly 5% of GDP while housing services have averaged between 12% and 13%, for a combined 17% to 18% of GDP. These shares tend to vary over the business cycle.



The red line in the figure above shows national housing starts, which have climbed nearly 75 percent from their March 2009 low. These data tell us that new building activity is on the rise, but they do not tell us why or what happens when the homes are completed.

The blue line in the chart above shows national aggregate new housing inventory, which increased leading into the recent recession and continued to increase during most of the recession. This increase in inventory was a function of both completed but unsold single-family homes, which continued to rise into early 2008, and of the median time these homes remained on the market, which skyrocketed from a low of 3.4 months in September 2006 to a high of 14.4 months in March 2010. However, in recent months, aggregate new housing inventory has fallen to historical lows, as the market recovers and completed homes are being sold relatively quickly. The median number of months on the market is now just 4.6, a decline of 68 percent from that March 2010 high.

### Update on Building Permits and Housing Starts

Building permits in January 2013 were at a seasonally adjusted annual rate of 925,000, up 1.8 percent from December rate and up 35.2 percent from January 2012. Housing starts in January 2013 were at a seasonally adjusted annual rate of 890,000, down 8.5 percent from December estimate but up 23.6 percent from January 2012.

### Builder Updates and Forecast

#### 1-23, 2013 – International Builders Show, Las Vegas – Single Family, Multifamily

House prices are up nearly 6 percent on an annualized rate over the past 10 months, and that has been a trigger for demand to return. People feel comfortable if they buy a house that it will appreciate, not depreciate, in value.

Other factors that bode well include low mortgage rates, strong housing affordability, rising household formations and the fact that two-thirds of U.S. housing markets can now be considered improving, according to the NAHB/First American Improving Markets Index.

For the past five quarters, housing has acted as a net contributor to the economy, steadily increasing its share to 12.8 percent of economic growth in the fourth quarter of 2012. In addition, residential remodeling has returned to previously normal levels, and that remodeling is expected to post a 2.4 percent increase in 2013 over last year.

The single-family market, which has the farthest to go, was running at 44 percent of normal production in the fourth quarter of 2012. Single-family starts are anticipated to rise 22 percent from 535,000 last year to 650,000 in 2013. NAHB is forecasting 949,000 total housing (Single family and multifamily) starts in 2013, up 21.5 percent from 781,000 units last year.

Meanwhile, multifamily production, which posted a 273 percent gain from its fourth quarter trough of 82,000 units in 2009 to 306,000 units in the final quarter of 2012, is expected to reach a normal level of production by 2014. NAHB is anticipating that starts will increase 22 percent from 246,000 units last year to 299,000 in 2013, and rise an additional 6 percent to 317,000 units in 2014.

### **Builder Confidence Virtually Unchanged in February 2013**

Following solid gains over the past year, builder confidence has essentially leveled out and held in the same three-point range over the last four months reported.

Having risen strongly in 2012, the HMI (National Association of Home Builders/Wells Fargo Housing Market Index) hit a slight pause in the beginning of this year as builders adjusted their expectations to reflect the pace at which consumers are moving forward on new-home purchases.

February 19, 2013 - Builder confidence in the market for newly built, single-family homes was virtually unchanged in February with a one-point decline to 46 on the National Association of Home Builders/Wells Fargo Housing Market Index (HMI). The index remains near its highest level since May of 2006, and they expect home building to continue on a modest rising path this year.

### **Buying a New Home**

It used to be that new homes cost more than older homes, but that's not true across the board anymore. A common misconception among homebuyers is the idea that the best home values in today's market are short sales and foreclosures. While there are some good deals on homes in a short sales or foreclosure, for most buyers, buying a new home is actually the better value in many ways.

One of the most common incorrect assumptions I see first-time new home shoppers making is that new construction is more expensive than resale. Not so. When a builder sets pricing for a community, the pricing is typically related to cost of materials, labor, land, and a profit margin. If the resulting price does not land squarely in the real current market value inventory then the homes will not sell. The interest and marketing costs will quickly erase any profit and turn into loss.

No matter what the current economic situation is, buying a new home will always have distinct benefits over purchasing an older home. When you buy a brand new home, you get all the traditional value you expect in a home, plus the advantages that only a newly built home can provide.

Builders are designing them to fit lifestyles and at the same time incorporating as many of the bells and whistles that homeowners want, that use to be an upgrade back in the day. Many new home communities offer amenities, i.e. pool, tennis court, playground, golf course, clubhouse, etc. Buying a move-in-ready new home from a trusted builder in today's market promises the best of both worlds-outstanding value and peace of mind with warranties, guarantees plus customer service after you move in.

As buyers search for their dream home, they will probably hear a variety of opinions on a newly built home or a resale home. There are distinct pros and cons to either option depending on their point of view and their personal and financial situation.

For new-home owners, this translates into benefits and advantages simply not available in a resale property. Whatever the location or price-range, this is an excellent time to look into buying a new home. There's nothing quite like the excitement of choosing your home's details, inside and out from the floor plan, colors, appliances, fixtures and being the first one to put the key in the front door.

There are so many other reasons so let's start with the basics. For one, buyers have so much choice with new home construction. A new home is the buyer's sanctuary; a place where they can feel safe, free, comfortable, and completely pampered. In this light, home builders, designers, and architects are always looking for the next best amenity to fit into homes. Today's new home products and amenities are chosen for total comfort, convenience and pleasure. Let's look at some advantages of a new home.

- **Favorable Pricing** - Existing home prices in many areas were about the same as new construction, although buyers were often willing to pay a premium for new.
- **Livability** - Spacious floor plan options. New home buyers can choose from hundreds of floor plans to find a home that matches their lifestyle. Custom made down to the door knobs.
- **Energy Star Rating** - Doors, windows, insulation, fixtures, appliances, heating and AC, etc. with energy-saving features that typically make them 20–30% more efficient than standard homes. Newer window technology, increased efficiency in heating and cooling systems, better insulation and better control of air infiltration. New homes are twice as energy efficient as homes built prior to 1980.
- **Building Codes** - Building codes have mandated increasingly higher energy efficiency standards since they began to address the issue in the late 1970s. Builders usually exceed local building, fire, and safety and health codes today.
- **Modern Appliances** - Newly-constructed homes often include green systems and appliances like high efficiency stoves, refrigerators, washing machines, water heaters, furnaces, or air conditioning units.
- **Wired for Today's State-of-the-Art Technology** - New homes can accommodate advanced technologies like structured wiring, security systems, sophisticated lighting plans and audio, entertainment technologies, in the latest of communication and home office needs. Today's new homes are the most worry free ever.
- **Healthier** - Asbestos, lead, and other hazardous materials are no longer used in new home building.
- **Less Maintenance** - Today's new homes are engineered specifically to minimize maintenance requirements.
- **Latest Building Materials** - New energy-efficient products enter the market each year. Virtually maintenance free especially the exterior.
- **Quality of Construction** - Building products have longer life span warranties. New homes are weather-tight systems of interrelated parts, each highly engineered to do a specialized job.
- **Safety Features** - New homes have hard-wired smoke detectors on every level. Better electrical power and wiring systems all decrease the risk of fire in a new home. Fire retardant in the carpet and insulation.
- **Size** - On average, a home built today has 700 more square feet of living space than one built 20 years ago. This means more windows, closet space, spacious garages, larger kitchens and more bathrooms.
- **Choice of Interior and Exterior Finishing** - New home buyers can choose carpet colors, wall coverings, paint colors, lighting fixtures, trees, shrubbery, etc.

- **Home-Site Selection** - Prospective buyers can choose a piece of land, its exterior elevation, a corner lot or a lot in a cul-da-sac and build a house to suit their needs.
- **Value** - New homes have a longer life expectancy; therefore they have higher appraisal and more favorable resale values than older homes.
- **Warranties** - Virtually all new homes carry a bumper to bumper warranty on everything for up to 2 years. Then 8-to-10 year structural warranties take over.
- **Appreciation** - Excellent value – Believe it or not, a home can still appreciate.
- **Pride of Ownership** - It's a new home, it's yours and no one else has ever lived in it.
- **Cost of Ownership** - Typically fewer repairs and lower utility costs. Existing and or older homes are more expensive to maintain.
- **Resale** - New homes typically resell more quickly and at higher comparative values because of the perception of the need for fewer repairs and updates
- **Community Design** - Builders are designing communities to balance personal and public areas, supporting customer's needs for a sense of safety, privacy, fellowship and activity.
- **Convenient Financing** - Builders are offering closing cost, participating in down payment assistance programs and many of their homes are FHA and VA approved. No appraisal, title or HOA issues.
- **Incentives** - Builders may be willing to accept contingent contracts and discounts on upgrades.
- **Peace of Mind** - The home comes with no prior history. When you buy or build a new home, you'll work with a team of highly trained experts and they are with you every step of the way. Everything is new and under warranty. The home is customized to your lifestyle with the latest technology and most recent advances in construction and design trends for long term homeownership. Plus builders are community members and easy to reach should you need them!

With all the positives of buying new construction, why would anyone even consider buying an older home?

### **New Home Trends 2013**

Today's consumer is focused on simplicity, efficiency and practicality. Unlike in the recent boom years, when just about anything built was sold, strong competition in the current market is forcing all builders to improve home design.

- **Easy Access** - Bathroom with grab bars, few stairs, wheelchair ramps, bigger garage for everything but cars, tricycles to golf carts, a resource center room a multi-purpose area with a desk, printer, room for a laptop, iPad
- **Homes within Homes** - Almost one-third of American adults today are "doubled up," or living in the same household with another adult generation reported by the U.S. Census Bureau. We're seeing a huge growth in floor plans that include dual master suites. Imagine a home that contains a separate apartment with its own sleeping area, kitchenette, bathroom and perhaps even garage. A door connects it to the rest of the house.
- **Laundry Rooms** - Some floor plans have direct access to laundry rooms. For instance, a laundry alcove that's right in the master suite, where it's easy to use and laundry chutes on an every floor.
- **Pantries** - The appearance of large pantries just off the garage where people can store all the bulk items that they buy at warehouse stores.
- **Drop Zones** - These are small spots, usually near the kitchen, that are dedicated to dropping off your cell phone, keys, purse, maybe the mail, too.

- **The House that Flows** - As homes have gotten smaller in recent years, an open plan is a way to make a home seem larger than it is. The most obvious example is the way many new homes now have a continuous space and open sight line such as a great room that extends from kitchen to dining area to living area. Great rooms that open directly to outdoor living areas, which brings in lots of natural light.
- **Versatile Floor Plans** - More and more people work at home. A home office that's comfortable, convenient, and suitable for serious work is a major attraction for many families. Some two-career families may even want two home offices. Others may want a second family room so the adults can get away from their teenage children. Nowadays more American families are looking for multigenerational uses of single big houses. Or they need space for live-in help or family relatives and friends from afar that extend their visits.
- **Green Building Material Trends for 2013** - Some green materials on the rise are better low-e windows, LED light fixtures, plant-based rigid foam insulation, recycled wood, concrete and steel, reclaimed wood, insulated roofing panels, solar PV and natural flooring. Mobile apps and software for water and heat management will also get more popular this year. A builder with an app at the construction site will definitely have the edge over one who doesn't.

### **Buyers Love New Homes**

Buyers love the idea that they can be a home's very first owner. New home construction brings a level of safety, efficiency and lifestyle unseen in years past. Technological advances mean that new homes are safer. And with the abundance and variety of features that new homes offer, homeowners can create the home of their dreams down to the knobs on their kitchen cabinets. Buyers know what they are getting and they get what they want in a new home.. They know how the home was built and they know what is behind the walls. Also buyers know how to operate and maintain their home's equipment and their builder is always there if they need help.

Last but not least, buying a new home presents a simple buying process. As soon as your home builder has completed construction, you can close the deal move in. There are no surveys to worry about, no waiting for an existing homeowner to move out and what's more, no property title chain issues.

Even though no one can predict the future, many a financial expert has maintained that a real estate purchase, especially a new home, can be one of the best investments your buyer will ever make.

### **Latest Must Have Amenities**

Amenities are still a deciding factor for homebuyers. Drive by a new-home development today and you may not see a dramatic difference from one built five years ago. But interiors and even exteriors to some extent reflect a changing consumer dynamic.

Builders offer buyers so many options that they can create hundreds of variations from the one-size-fits-all floor plans. Just about any room or area of the property can be customized in some way, suited to the buyer's personal taste.

Builders say demand continues for rooms that flow together combining food preparation and entertainment, for example but with a greater emphasis on quality, luxury, and refuge. The demand for a huge, high-ceilinged great room is giving way to the desire for special-purpose rooms, including media rooms and home offices.

Buyers are opting for doorways that integrate indoor and outdoor spaces and windows that offer a view of a garden or other pleasant vista. A one-sided approach to residential architecture, where the facade includes distinctive design elements while the sides and rear are left unadorned, has given way to what some observers are calling “architecture in the round.”

We’re seeing sanctuary spaces being designed into newer homes. Those spaces are appearing throughout the interior as people seek escapes from the stress of their daily lives. In addition to master suites, smaller spaces such as dedicated meditation or yoga rooms are becoming more common. The sanctuary theme is becoming part of the whole house. Often rooms will serve more than one purpose, handling both formal and informal functions with a simple change in light setting. Spaces that overlap function and decor represent a break from traditional house layouts.

A new term “a place of one’s own” describes the small rooms and alcoves being designed. Examples: a window seat for quiet reading or a small alcove or office space where people can sort mail, drop keys, and recharge cell phones. These are rooms that America desperately needs.

Homes today are centers of social activity, with spaces crafted for various forms of entertainment. New homes are wired with new technologies in mind, from high-tech audiovisual theaters to high speed internet connections, extra cable outlets to rooms that can accommodate large gatherings with surround sound throughout the home plus convenient networking of household devices, electronics and home systems from air condition to lighting.

Even kitchens; already the hub for social activity in many homes are getting a makeover. Architects and designers are facilitating people’s natural propensity to gather in kitchens with features such as large chairs, ottomans, fireplaces, built-in microwaves, six-burner ranges and convection ovens and commercial grade appliances, furniture-quality kitchen islands, and stand-alone hutches for storage. Overall, there’s more of an emphasis on homes that have all the bells and whistles you could possibly want for gracious entertaining.

Other priorities for today’s home buyers include an oversized walk-in closets with shelving and built in cabinets, hardwood floors and granite countertops, dog-washing sinks in the garage, and abundant windows. Include added second floor to the garage, systems to control radon, dual-fuel split system that lets the homeowner use electric or gas heating, products that will not rot, rust, corrode, or support mold growth or termites, ventilation systems that create integrated moisture management, humidifier on the furnace, and ceiling fans, light switch and TVs featuring a remote control just to name a few.

High-in features, once a luxury, are increasingly viewed as essential in the bathroom, i.e. accent lighting, 50 gallon water heater tankless or solar thermal, whirlpools, Jacuzzis, steam and jet showers, double shower heads, hand-held sprayers, bathroom furniture and storage cabinets. While porcelain sinks remain the tradition, the new kids on the block are multi-shaped vessel sinks such as colored glass bowls.

Buyers are looking for individuality. The attention to a home’s exterior goes beyond mere landscaping. The outside is being transformed into an extension of the living space with the addition of elaborate gardens, patios and decks, balconies, fountains, outdoor pavilions, gardening sheds, screened-in porches and even fully furnished rooms for outdoor reading or dining. As the trend to spend leisure time outdoors continues, fireplaces, patio heaters, electronic insect control devices, fire pits, wet bars and fully functional outdoor kitchens are being offered by more and more builders.



Today's new homes have more dynamic exteriors, thanks to the use of bold colors and a mixture of materials, such as stone, stucco, and timber that add a sense of texture. Details such as balusters, brackets, shutters, balconies, and trellises continue all around the home. And the approach doesn't stop with the exterior. The use of natural materials, is coming inside and being used in ceiling details, countertops, and fireplace mantels. This approach is being incorporated at all price points, not just in luxury homes.

### **Impressive Interior Amenities of Today's New Homes**

- Blinds, curtains and shades already installed in the home
- Wallpaper and low Volatile Organic Compound (VOC) latex paint finishes
- Fireplace with gas logs enclosed with glass and pewter doors
- Designer trim package
- Decorative shelves and display areas
- Trim added to built-ins, tray and coffered ceilings and several layers of crown molding. It makes the home look and feel more expensive and custom.
- 200 amp electrical service
- Central vacuum system

### **Distinctive Exterior Amenities of Today's New Homes**

- Extensive backyard grass and landscaping
- A three-car garage with a side entrance
- Higher-priced alternate paving surfaces for driveways, walkways and patios
- Irrigation systems
- Well insulated windows, doors, walls and attic
- Various sizes and designs of windows, doors
- Custom exterior lights for added safety
- Brick or Hardiplank siding with a 50 year warranty
- Various garage door styles and color
- Elegant masonry accents on the home's exterior
- 5' front fencing between homes and gates with decorative arbor
- Architectural style roof shingles such as cedar shakes or tile with 30 year warranty

Builders provide a designer representative to assist in amenities and product selections. Many builders have impressive design centers where you can touch and feel the features you wish to include as upgrades.

### **Other New Construction Facts to Consider**

- Insurance companies offer lower insurance rates for newer home
- New subdivisions tend to have better utilities (such as buried electric lines)
- Your property taxes will probably be less during the first 12-24 months
- If you purchase a new construction property early during the preconstruction phase, you might be able to customize many features, such as the paint colors and the appliances to suit your personal tastes
- Here's the best part: A builder may even throw in some free upgrades and amenities. And don't be surprised if a builder offers you financing options for a mortgage.

## Working with the Builder's Sales Representatives

Builder's sales representatives are a valuable component to the success in sales performance. These sales representatives are devoted to new construction and work exclusively in one subdivision at a time. Their primary duties are to create customer interest in the community and to organize the sale of a home. They give the builder, buyer and their real estate representative 100% service. In addition, new home community representatives:

- Are trained in-house to be the new-home community specialist
- They are the single point of contact between the buyer and the builder
- Have knowledge of building products and homeowners association
- Available on-site seven days a week
- Will show you as many homes as you like
- Work more traditional hours
- Get paid the same whether there's a cooperating agent or not
- Know their competition
- Aware of various financing and downpayment assistance programs
- Knows how to read plans and specs
- Will guide you along the pre-construction buying and building process
- Help by recommending the best unit, floor plan, view and a whole host of pre-construction considerations
- Explains the builder's sales contract and construction timeline
- Familiar with product and builder's warranty plan
- Can assist with design choices and which upgrades that add value to your new home
- Experience of the area and amenities where the community is located
- Can retrieve answers to questions quickly
- And hold your hand throughout the purchasing process
- Will follow up a minimum of three times during the first twelve months of ownership

## The Future Home

### *What You Have To Look Forward To*

Remember the Jetsons TV Series back in 1962? The Jetsons, aired on prime time after 16 months in development, and was set in 2062, 100 years after the first episode was broadcast. The rise of intelligent devices, ongoing breakthroughs in robotics, cloud computing and other newfangled technology promise to usher in a new phase in luxuriant and wired home living.

### **The Future of American Homes is Now – A Wireless Home**

Everything in the home of the future is connected and can be used to communicate. A maze of innovated rooms, a digital kitchen where recipes are projected onto the kitchen counter and bedrooms have interactive wall posters that can be changed daily based on the occupant's mood.

Some 821 million smart devices, smartphones and tablets are estimated to have been sold last year and 1.2 billion are expected to be sold in 2013. Through the internet connection, any device such as a mobile phone or tablet can access, control, and monitor data such as power usage, adjust temperature, control appliances, i.e. your dishwasher, refrigerator, heater, motion sensors, lights and windows. In the wireless household, using a tablet as a television remote is supposed to be just one conversation in a din of synchronized chatter between electronic devices like TVs, phones, audio equipment, computers and social media.

With an emphasis on flexibility, Kinect-based gestural interfaces and video mapped projections can also control the same elements as well as moveable walls and a customizable wallpaper projection and a video camera at the home's entrance that will identify visitors using facial recognition software.

This innovation is a template for the future. Indeed, many houses throughout the USA already have hints of Microsoft's model home. Might this be a working blueprint for better things, of a life that just decades ago seemed possible only in the world of science fiction?

### **View Microsoft Home of the Future**

<http://www.tvkim.com/watch/1461/kim-on-komand-microsofts-amazing-home-of-the-future>

As the number of home networks rises, new automation services are beginning to appear. The number of homes worldwide with Ethernet connections, which is necessary for Wi-Fi, will double to 800 million by 2016 from 400 million this year. The number of low-power, low-bandwidth networks essential for monitors and always-on sensors is to surge to 28.8 million by 2016 from 3.3 million.

Home Automation - The washer, dryer and bathroom fans are connected wirelessly, letting the local utility reduce power consumption during peak demand. Lighting is controlled by motion sensors. The front, back and garage doors can be activated remotely with an e-mail.

The smart bathroom of the future will also be able to take inventory of such items as toilet paper, shampoo, soap, hand soap, and other toiletries and then automatically either remind or reorder the items as desired.

Toilets of the future will not only be heated, void of toilet paper, have a pleasing cleansing of the behind, but will also analyze stool samples for medical problems such as colon cancer and urine samples for teenage drug use or pregnancy issues.

Smart showers will not only be able to recycle water, but will be able to store individual profiles for each member of the family according to preferences and patterns of usage. One member may take long baths while another short showers. Automated soap and shampoo dispensing for male or female will be programmed in. Water temperature and pressure settings can also be individualized.

Remote monitoring of the future home is already here, but also on your PDA or other handheld device you'll be able to manually override your future smart home's systems on the fly.

The future home will run off solar panels, wind turbines or both. Backup batteries may be used or an electrolyzer, compressed hydrogen and a fuel cell may also be used as backup power.

Smart appliances - Ovens, microwaves and refrigerators will be combined and automated so remote cooking will be a possibility so meals are prepared for one's arrival. Flexible displays will be built into ovens, refrigerators and dish washers to tell consumers everything from the optimum temperature to cook certain dishes to whether leftovers in the refrigerator are spoiled. Chips embedded in appliances will store recipes and cooking instructions.

Future homes will also have refrigerators that will download recipes based upon what it is stocked with and what is in your pantry. The recipes will then be forwarded to you. In the home of the future, the refrigerator will also take inventory of all food supplies in the home and alert you when you're running out. The refrig may also be programmed to contact the local supermarket to drop off the needed food supplies.

Beyond the kitchen, a home office might include a Telepresence-type device for real-time meetings, via a TV screen, with anyone in the world a critical innovation as more people telecommute.

Future homes will also be very energy efficient. Microsoft, Google and others are now working on applications that tie into the smart grid for individual home so that you will be able to visually see and track which appliances use the most electricity, where heating and cooling is escaping in from one's home and how you can produce more energy with your solar panels or wind turbines.

There will also be other green systems in place such as saving, purifying and reusing wash water and bath water. Plants and people may receive pure or mineralized drinking water.

Speech recognition - Besides speech recognition software, your future home may also combine face recognition software, hand or fingerprint scanning or a combination of these security measures. One will easily be able to chat over social media about a television show that both or multiple parties are watching in real time.

Since future homes will have advanced network systems, self-diagnostics will also be a critical feature. If one part of the network or peripherrepair, the owner will be notified or else and automated repair order will go out. Self-healing of many software problems will occur in the future home as patches or workarounds can be download or remote support enabled.

Community life in the future will be a bit different than it is today. The future community and city will be a bright, hopeful place filled with green energy, interconnectivity and applied virtual reality.

In the years ahead, the biggest home-buyer considerations might not be one-story or two-story, city or suburb. Consumers might also have to decide between a Microsoft home, an Android@Home.com or an Apple community.

There is truly no place like home and when you purchase new, you are able to create today the setting you desire.

## Let's Compare a Resale to a New Home

<ul style="list-style-type: none"><li>• Short Sales - HAFA Program</li><li>• NPV (Net Present Value) Test</li><li>• Deed-in-Lieu of Foreclosure</li><li>• REOs - Bank owned properties</li><li>• "As Is" property condition</li><li>• Code violations and building codes</li><li>• Banks and lenders as sellers</li><li>• REO addendums</li><li>• No warranties, no guarantees</li><li>• Special or limited warranty deeds</li><li>• Troubled HOAs</li><li>• Liens and title issues</li><li>• Banks and lenders can cancel the contract at any time for any reason</li><li>• Fraud and scams</li><li>• Vandalism, squatters, tenants</li><li>• Limited financing</li><li>• Seller inability to pay closing cost</li></ul>	<ul style="list-style-type: none"><li>• Takes weeks to months in getting a contract approved and closed</li><li>• Third party approvals. Most buyers don't wait, they walk.</li><li>• Banks chooses the closing attorney</li><li>• No recourse back to the REO seller after closing if the buyer is unhappy</li><li>• Homes are vacant and not clean</li><li>• Bid wars - "best and final"</li><li>• Low real estate commission</li><li>• Each bank has specific policies and procedures. Nothing is standard!</li><li>• More parties to communicate with and they are not local</li><li>• List price may not be accurate</li><li>• Banks order BPOs and appraisals after an offer is submitted</li></ul>
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### Repairs on a Resale Home

New homes offer the latest designs, style, comfort, quality and provide a care-free lifestyle so that you can enjoy the home, not work on it. Once a home reaches even just 8-10 years of age many of the components in the home are at a point where a costly repair is on the horizon.

The number of possible gremlins is nearly limitless, but the following list contains some common repairs you may not be thinking about when looking at that home built in 1996. It is easy to see how the cost of unexpected repairs can add up quickly. Some common repairs you might not think about but should not be surprised to see in a 10 year old home. Cost estimates include both parts and labor.

- Furnace hot surface igniter replaced: \$120
- Replace heat pump or air conditioning compressor: \$800 - \$1400
- Garage door cables and rollers replaced: \$100 per door
- Door hardware – new lockset installed \$100-\$400 per door
- Dishwasher – replace leaking main seal: \$80
- Replace a toilet: \$300 and up
- Replace hot water heater \$250-\$500
- Washing machine belt or drive motor replaced: \$75-\$200
- Replace a builder grade electric stove: \$723

When was the last time you went to a department store and selected used clothes? Or visited a car dealer and paid more for a used car than a new car? Why buy a resale home when you can buy your dream home with all the bells, whistles and technology that match your lifestyle and personality for total comfort, joy and convenience!

## Resources

- [www.nahb.org/imi](http://www.nahb.org/imi) for additional data, tables and a list of 2012 future economic release dates
- [www.HousingEconomics.com](http://www.HousingEconomics.com)
- [www.census.gov/construction/nrs](http://www.census.gov/construction/nrs)
- [www.realtor.org/topics/existing-home-sales](http://www.realtor.org/topics/existing-home-sales)

## What do we expect in 2013?

Entering 2013, prospects look good for another year of growth in sales. Interest rates remain historically low and consumer confidence seems to be returning to the level necessary for buyers to commit to a new home purchase. However, materials and labor cost give no indication of decreasing and increased regulatory cost are pushing up the cost of delivering finished lots and finished homes to the marketplace. As pent-up demand for new housing emerges, look for rising prices based mostly on rising costs and increased amenities, later this year. So, let's plan a community event to create a sense of urgency that if you have been waiting to buy a home now is the time!

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