

NEW HOMES

LIFE AT BOTANICA
LIKE 'BEING ON
VACATION'

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Meet our Happy Homebuyers: Page 2

10 reasons

to buy a new home in the New Year

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Enough is enough. All of the doom and gloom about stagnant sales and falling prices is a self-fulfilling prophecy — and not completely accurate.

It's true that prices have dropped, but most homeowners in this area are still far ahead of where they would have been if the boom or bust had never happened.

According to the National Association of Realtors, and also real estate expert Larry B. Loftis, Esq. in his book *Successful Real Estate Investing in a Boom or Bust Market*, the norm for appreciation of single-family homes is 6.7 percent annually (measured from 1968 to 2005). Since that figure can fluctuate quite a bit by year due to local economics, interest rates and other factors, it's more realistic to consider appreciation of 4 to 10 percent in any given year as the "normal" range.

During the height of the market in 2005, and the year or two leading up to it, many investors and homeowners saw the equity in their properties grow by as much as 75 percent — or even more!

— in a relatively short period of time.

So, even with falling prices, many of our homes have still appreciated more than the "norm" during the past few years.

It's also important to remember that real estate has always gone through cycles. Historically, however, it has outperformed nearly all other investments.

Gerald Marcil, one of the contributors to *How to Build a Real Estate Empire*, says, "I don't know when the market will peak or when it will bottom out. I stay in it at all times and just try to buy the best deals at any given time. My strategy is to buy high, low and in the middle. It will average out over the long haul."

For prospective homebuyers in today's market, Craig Perry, CEO of Centerline Homes, offers this observation: "The biggest misconception is that we're not at the bottom. During the boom, the market became inefficient, with demand outpacing supply. But, the market is efficient and has a way of figuring itself out."

"We've been bouncing on the bottom for a few months now, and the market's about as low as it's going to get," Perry adds. "Mortgage rates aren't going to get lower, and the current excess supply is going to start to shrink, so the market will be balanced again."

As that happens, the savvy buyer will have already purchased or be in a position to do so very shortly. Buyers who try to outsmart the market and wait too long may very well lose the opportunity of a lifetime.

Contrary to so many of the negative reports, people are recognizing these opportunities and buying — just at a more realistic pace than during the boom.

Minto sold an impressive 48 homes in October. Thirty-one families alone purchased a home during the first month of the grand opening of Minto's newest community, PortoSol, in Royal Palm Beach. Why? Because the 52-year-old leading developer believes in "extraordinary prices during these extraordinary times".

And, Minto is not the only builder/developer offering incredible values during the current market. All you need to do is look at the ads and stories in this section, and you will quickly see that the prices and incentives being offered cannot be beat — now, or in the future.

Finally, I definitely put my money where my mouth — or, at least, house — is!

I was one of the people who left Florida a couple of years ago to move to North Carolina. While it was definitely beautiful, I couldn't wait to return to the warmth, beauty, diversity, and unlimited opportunities for fun in our tropical paradise.

The first thing I did, even before actually returning, was to work with my Realtor to purchase another home here. I believe in this area, and I believe in real estate. Even if prices dip a bit further, I know I will still be way ahead of the game in the long run.

With that said, here are 10 of the best reasons to purchase a new home in the New Year:

1. You need a place to live.

During the boom, people began looking at their homes strictly as investments and not as places to live. Your home should be a place to spend quality time with family and friends, with the chance to gain long-term equity a nice side benefit. Expecting your home purchase to be the single-most important element of your investment portfolio, especially in the short run, is not realistic or fair.

Of course, you need a place to live, and owning is often less expensive than renting. Instead of throwing money away on rent, and helping your landlord pay down their own principal, take advantage of the current market's special pricing, incentives and special mortgage programs, especially for first-time buyers.

2. Choose what you want.

One of the nicest things about buying a new

home versus a resale one is that you get to choose the floor plan, features and finishes that best suit your tastes, lifestyle and budget. While some people can't live without granite, others don't want to pay for it and are just as happy with Corian.

Likewise, some people want a split-floor plan, with all the rooms on one floor, while others opt for all the bedrooms on the second floor.

When Shirley and Robert Segura recently purchased a home for their family in the G.L. Homes community of Canyon Springs, they were looking for a first-floor bedroom so visiting parents wouldn't have to climb stairs. With the ability to customize their new home, they chose such options and upgrades as a lake lot; a balcony; and a double oven, granite counters, cabinet molding and under-cabinet lighting in the kitchen.

When it's a new home, you can customize it any way you want.

3. Cutting-edge design, features and amenities.

Upgrades and improvements that most people want today often come standard in new construction: 42-inch upper cabinets in the kitchen, granite counters, stainless steel appliances, ceramic tile or travertine, and more.

Even layouts reflect the way people today live. Formal living areas are often more contained and private, while informal areas are more wide open and spacious. The two are no longer blended, and there is more emphasis on the great room. Many layouts are also flexible, providing options for dens instead of bedrooms, or home offices instead of a third garage.

Speaking of home offices, new homes are already wired for all of today's technology needs. Thiel Development's Aqua Lofts in East Pompano Beach include Crestron lighting control and automation technology that enable owners to integrate all of the systems of the home into one touch-screen control panel either on the wall or wireless. Talk about cutting edge!

And, community amenities are more lavish and impressive than those built even a few years ago. Just visit a few of today's new-home communities, and you'll see that stately clubhouses, resort-style pools, state-of-the-art fitness centers, tot-lots and business centers are frequently the norm.

4. Energy efficiency.

Today's homes are much more efficient due to extra insulation, improved heating and cooling systems and, in our area, impact-resistant windows.

All homes built by Northstar Homes at Gramercy Square in Delray Beach, SH Communities at Waterside in Boynton Beach and various other communities by other builders have been certified with the FPL BuildSmart certification. This designation exceeds the state's energy efficiency requirements and translates to better efficiencies for homeowners.

These and other features help homeowners save significantly on monthly utility bills, making the decision to purchase a new home a smart one.

5. Lower maintenance costs.

As older homes and condos become worn around the edges and start showing their age, homeowners often have to spend more than they have budgeted for home maintenance improvements and/or surprise HOA assessments.

With new construction, using today's more advanced and improved building materials, chances are it will be many years before you will have to repaint, re-stucco, replace a roof, upgrade plumbing or electric, or more.

6. Tax savings.

Uncle Sam has made your home one of the best tax shelters available, since mortgage interest and property tax can be deducted.

Even better, when you sell a home, the first \$250,000 (if you're single) and \$500,000 (if you're married) of profit is tax-free. This is a considerable advantage when you consider that taxes must be

paid annually on the interest/profit you make from savings deposits and many other investments.

If you're currently renting, think seriously about purchasing. The tax advantages alone should outweigh any anxiety about jumping into today's market.

7. Equity, sweet equity.

The longer you own a home, the more you pay toward principal, increasing your percentage of ownership and decreasing the amount you owe to the lender. As equity builds, you create more wealth for yourself and your family. Even with the inevitable ups and downs of any market, the equity you earn through real estate is almost always greater than what you will make from any other investment.

The trick is to have the mindset of a long- or at least medium-term investor — and to not approach real estate like a day trader with stocks. This is how many people were hurt when the bubble finally burst, but it does not have to be that way. Buying a new home makes good financial sense.

8. Hurricane codes.

It's no secret that we are now living in a time when hurricane preparedness is a necessity. For those living in older homes, they do the best they can, but at some point it's often a question of hoping for the best.

With new construction, however, strict hurricane codes are in place to ensure that new homes and condos will weather Category 5 storms. Impact-windows, shutters, hip roofs and more all translate to peace of mind that your home will be safe in the event that Mother Nature decides to throw us a curve.

Just as important, homes built to current hurricane code standards are eligible for deep discounts on insurance. With these costs going out of sight in recent years, the amount of insurance savings on a new home can let you afford more house, or put more cash in your own pocket.

9. Waiting can cost you.

Purchasing a home is one of the most important decisions of your life and should not be taken lightly. At some point, though, all of the research and analyzing can be paralyzing, robbing you of an excellent opportunity to move into the house of your dreams and build personal wealth, as a result.

As we all know too well, the market can turn on a dime — in either direction. Waiting for a lower purchase price and/or interest rate can backfire if pent-up demand suddenly causes prices to start rising. With a decision this important, don't let the odds work against you.

10. You deserve it.

Finally, one of the best reasons to buy a new home in the New Year is the fact that you deserve it.

There's nothing like the smell, look and feel of a new home in which everything's sparkling, working properly, and conducive to relaxing and entertaining in style.

More than just our castles, our homes are our refuge in a busy and stressful world. Knowing that you can do whatever you want to make your home your own personal retreat or sanctuary, without having to get the permission of a landlord, can be an empowering feeling.

Make a decision to purchase now — you won't regret it!

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WELCOME

