

REAL ESTATE

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Ask Our Broker



I offered a lower rate for a rental, but I haven't heard back from the broker. What gives?



Q: I saw a home for rent. The rent was \$1,900 a month. I sent an e-mail to the broker offering \$1,300. I never heard back from the broker. Isn't he required to respond?

A: A lease, like a sale agreement, involves far more than price. In your situation an e-mail that only suggests a lower price fails to address any number of issues such as the deposit amount, lease term, start date, etc. In effect, you made no offer. While brokers typically are required to show written offers to clients until one is accepted, clients are not required to respond. In effect, there is a response in this case: The owner wants \$1,900 a month.

Q: My wife and her brother are the heirs to their mother's estate, which mostly consists of the mother's home. My brother-in-law wants to buy my wife out and live in the home. This is agreeable to my wife. What's the best way to arrange such a transaction?

A: Because both children now own the property there's a need to change the title to give ownership to your brother-in-law.

In such circumstances, the best approach is to get a current appraisal so that the market value of the property is known. A lender will require such an appraisal if the property is to be financed.

Then divide the value in two. The result is roughly what the brother-in-law should pay your wife for her interest, but there can be adjustments. For instance, the parties can divide closing costs as they prefer. They might also reduce the sale price by several percent to reflect the fact that they do not have marketing costs because in this case there was no need to find a purchaser.

The brother-in-law should now be able to readily finance the buyout because the loan will be equal to about half the property's value.

You want to treat this arrangement as a business deal with a written sale agreement and a closing. This will document what's being done for tax and other purposes and also assure that the transaction is not disputed within the family at some point in the future. For specifics, please speak with an attorney in the jurisdiction.

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SPECIALTY COMMUNITIES

Just the Thing for Seniors

The elder population is growing, and along with it a variety on niche developments that cater to the group's super-specific lifestyles

By PATRICIA V. RIVERA
CTW Features

Environmentally conscious lesbians looking for a retirement community can turn to Birds of a Feather outside Santa Fe, N.M. Hippies in their senior years who want to live in self-sufficient community can head to Rocinante in Summertown, Tenn. Indo-Americans who want to speak the Gujarathi language and enjoy food from that culture can move to Bharat Vilas in Okemos, Minn.

The niche senior-housing market is growing and slowly embracing seniors from all walks of life as they decide to move into communities with like-minded peers.

"They're coming out here because they want to be part of something that lets them band together to create the type of environment that's right for them," says Stephen Gaskin, founder of Rocinante.

Over the last decade, communities for seniors age 55 and older have cropped up across the United States in large numbers. The National Association of Home Builders estimates that the market will continue to expand and diversify as the 50-plus population grows to 76.6 million (24.5 percent of the population) in 2010 to 85.6 million (26.3 percent) in 2014.

A survey conducted by active-adult builder Del Webb Corp., Bloomfield Hills, Mich., found that approximately 50 percent of baby boomers plan to purchase new a home for their retirement in place where they can enjoy lifestyles that allow them to remain physically fit and socially active.

Often referred to as active-adult communities, the first round of these master-planned developments featured many amenities that older adults want to stay active - golf courses, nature trails, spas and social hubs. They're a real hit for older adults who'd rather forgo



Silver spokes: Be it activities or backgrounds, seniors "want to be part of something that lets them band together to create the type of environment that's right for them," says one senior-housing pro.

tiresome chores, such as mowing the lawn, but still want an active lifestyle.

Increasingly, older adults are demanding as much intellectual stimulation as recreation. At Festival, a Del Webb community near Phoenix, a big draw is the classes offered in partnership with Arizona State University.

Often socialization at these developments excludes people under the age of 55. Many communities fall into one of two categories: age-restricted or age-targeted. Age-restricted communities don't allow resident under the age of 19 for longer than 90 days

"They've raised their kids - now they want to focus on themselves," says Klaus

Rohrich, owner of Maturity Marketing Inc. in New York.

The newer specialized communities appeal to seniors with very defined interests and lifestyles. They can be spotted across the landscape, even far from the Sun Belt, where builders once targeted senior communities. Because grass-roots organizers sometimes erect them, prices may be lower than those built by commercial builders.

Rocinante, the Tennessee commune, requires residents to help each other build a home. As they age, they're also responsible

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Where to Go to Find Green Pros

If eco-friendly has you confused, here's a guide to finding sustainable-focused, environmentally conscious experts wherever you live

By BARBARA BALLINGER
CTW Features

WITH ALL OF THE BUZZ about going green, which can provide a helpful edge in differentiating a home in a slower housing market, more buyers and sellers are eager to purchase the increasing number of sustainable products and building materials. More Web

sites and brick-and-mortar stores focused on environmentally friendly merchandise make this task easier.

But so much emphasis on green also has brought forth a number of "greenwashers" who are trying to make inroads in this booming niche by exaggerating claims that what they sell will help the planet, be healthier for

humans and more energy- and water-efficient.

Differentiating between these charlatans from genuine green authorities is one of the tougher parts of going green, particularly since there's no definitive accreditation to guarantee expertise. Fortunately, more

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GREEN PROS

Eco-friendly resources

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organizations and conferences offer guidance, and San Jose, Calif.-based West Coast Green, one of the biggest eco expos, will allow in consumers for the first time this year.

BASIC QUESTIONS TO ASK

Before you talk with green gurus, know what questions to ask. Going green doesn't reflect just one challenge or solution says Alex Pettitt, an Austin, Texas-based green builder who's also the host and producer of the Web site Mainstreamgreen.tv. Pettitt suggests that the first thing homeowners should do is determine their own personal goals.

"Ask yourself, 'why do you want to build a green house?'" Pettitt says. "Is it to make it energy-efficient, have good indoor air quality or improve both? You might want a very energy-efficient house with great air conditioning and might not care as much about how the house's orientation to allow in more heat or cold." But if you do, he says, you could make your house even greener.

Asking professionals the following questions will help determine their grasp of green:

- How much experience do you have with green building or remodeling, and can you show the projects?
- Have you reused an existing infrastructure or built in an urban infill area?
- What role does minimizing car dependence or being near public transportation play in your site choice?
- What do you do to improve energy efficiency?
- What are you doing to reduce your carbon footprint?
- What are you doing that represents a cradle-to-grave - or C2C - approach? (This concept goes a step beyond recycling to encourage the use of healthy materials from the get-go, which are recy-

clad back to healthy materials, says Eric Corey Freed, an author and founder of organicArchitect.com in San Francisco.)

• "What sustainable products do you use and do you make your selection in part on how little energy it takes to bring them to the shelf?" asks Orit Yanai, who produces green wall finishes in San Francisco.

• Does your work represent a turnkey operation? "Are you just selling photovoltaic solar panels or also installing them?" asks Tommy Linstroth of Melaver Inc., a green development company in Savannah, Ga. Linstroth also is a sustainability expert for Farmer's Almanac TV, which scheduled to be aired for its third season in April on PBS stations.

• Will going green be more expensive? (Pettitt and others have found that it usually isn't. "It's no more expensive for me to take all the waste from a project and pay subs to recycle it than it costs me to ship it to a landfill," he says.)

NATIONAL AND REGIONAL ORGANIZATIONS TO TAP INTO

More organizations are offering green-related expertise, including membership directories. By reading through materials, you also can master the terminology so you can interview professionals in a more informed way, says Justin Sullivan, a consultant and builder in Washington, D.C. Also, contact your local Chamber of Commerce and utility company, since many are compiling green resources to help consumers and business owners, says Linstroth.

The best place to start may be with the U.S. Green Building Council's Web site, www.usgbc.org, which lists LEED-certified green buildings and developments that can lead you back to professionals with sustainable expertise. LEED, an acronym for Leadership in Energy and Environmental Design, offers a rating system based on universally accepted green performance criteria in six categories, such as indoor environmental quality. Points earned lead to certification at four levels

of Certified, Silver, Gold and Platinum. While LEED certification began as a way to rate commercial buildings, a home-oriented system is now being rolled out.

The Energy and Environmental Building Association is another national group that offers resources related to building performance and climate-specific help. It also has one of the best online green bookstores at www.ecba.org.

The National Association of Home Builders sponsors the NAHB National Green Building Conference, the NAHB National Green Building Awards and information on how to use sustainable design to build homes with renewable materials. The NAHB in February will unveil the NAHB National Green Building Program and University of Housing Certified Green Professional designation for builders and remodelers to help homeowners locate a green builder. For more info, visit www.nahb.com. Some green builders work nationally, such as My Green Cottage in Bentonville, Va., which specializes in affordable designs (www.mygreencottage.com).

Many local homebuilder associations also are taking up the green banner. Built Green Colorado - created through the joint efforts of the Home Builders Association of Metro Denver, the Governor's Office of Energy Management and Conservation, Xcel Energy and E-Star Colorado - has more than 100 builder members and 45 sponsor members dedicated to encouraging homebuilders to use green technologies, products and practices. It can be found online at www.builtgreen.org. EarthCraft House, www.earthcrafthouse.org, is another regional, residential green building program of the Greater Atlanta Home Builders Association.

The National Association of the Remodeling Industry launched a Green Certified Professional certification program in August 2007 for remodelers who use green products and processes to be recognized for their skills. After passing an

exam, they get to use the GCP logo in their marketing. They must take continuing education classes to maintain certification.

The American Institute of Architects' Web site has a category listed as "Knowledge Communities," which leads to "COTE/Sustainability" and provides articles where knowledgeable green architects are quoted. The AIA site, www.aia.org, also has an e-newsletter that provides additional green expert leads.

The GreenHomeGuide (www.greenhomeguide.com) offers online product reviews from credible professionals, plus an e-newsletter and a link to connect homeowners with architects or contractors who can perform a house energy audit.

Certified EcoBrokers are trained to help homeowners find a green home but also can provide names of green architects, contractors, designers and builders (www.ecobroker.com). For information, call 800-706-4321.

Two good Web sites with lists of green architects and builders, plus products, are Low-Impact Living (lowimpactliving.com) and Vivavi's Modern Green Living (moderngreenliving.com).

Robin Wilson's New York showroom (theneststore.com) retails products and furnishings that are good for the environment, and she and her staff will also design homes with eco-friendly materials.

GOOD BOOKS

Plugging in "green," "sustainable," "eco-friendly" and other environment terms on book sites yields dozens of titles. Among the useful tomes: "Cradle to Cradle: Remaking the Way We Make Things" by William McDonough and Michael Braungart (North Point Press, 2002); "The Lazy Environmentalist: Your Guide to Easy, Stylish, Green Living" by Josh Dorfman (Stewart, Tabori & Chang, 2007); "Green Building & Remodeling for Dummies" by Eric Corey Freed (Wiley Publishing Inc., 2008).

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tion where the property is located.

Q: Why would anyone in their right mind buy and pay on anything for 30 years, knowing even if the mortgage is paid in full they will never own it? I believe that loans longer than 10 years should be illegal and that property taxes should be flushed down the toilet. Only then will the people of this country truly enjoy homeownership. I know you will mention tax advantages, but they are a fallacy.

A: It is generally understood that there are about 50 million mortgages outstanding and that roughly 35 percent of all homes are mortgage-free. Those who hold title to mortgage-free property plainly enjoy all the fruits of ownership.

A \$200,000 loan at 6.5 percent costs \$1,264.14 per month over 30 years for principal and interest. Cut the term to 10 years and the monthly payment would increase to \$2,270.96, a sum that is simply unaffordable for many households. The result of a law limiting loan terms to 10 years would reduce levels of property ownership, as well as declining home values.

We could, of course, have 10-year loans with a 30-year payment schedule. The result would be what is called "term" financing. At the end of the 10 years the unpaid mortgage balance would be refinanced into another 10-year note. The problem with this approach is that the cost to refinance is substantial and it may be that an owner at some point would not qualify for a new loan - and thus lose the property to foreclosure.

Term loans, usually five years in length, were common until the 1930s, when the Depression left many owners with debt they could not refinance. The introduction of long-term mortgages by the FHA in 1934 no doubt saved many homes from auction.

As to eliminating property taxes, that is both a delightful yet impractical thought. State and local governments are dependent on property-tax revenues; their elimination would cause a massive and profound reduction in public services.

The benefit from deductions for mortgage interest and property taxes is that such write-offs allow individuals to offset real-estate ownership costs. However, it does not make sense to buy real estate for the tax benefits alone. One also needs to consider housing needs, personal preferences and the potential for appreciation.

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Need real estate advice? Peter G. Miller, author of "The Common-Sense Mortgage," would love to hear from you. Send your questions to peter@ctwfeatures.com. Due to the volume received, not all letters may be answered.

SPECIALTY

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for taking care of each other, Gaskin says.

Often, these highly targeted communities are started by a small group of people with a vision. Gaskin, for instance, saw a

need among people who did not have savings for some of the more upscale communities that cater to seniors. He also knew that too many seniors aged alone.

Values vary from community to community. Bharat Vilas hold eight wings. Each caters to a particular group within the Indo-American community. It features

both individual homes, as well as single bedrooms within a main house.

Cecilia Richardson, a senior housing specialist in Pleasanton, Calif., helps families determine the best place for retirement. Although the active, niche communities have many amenities, they also are criticized for isolat-

ing seniors.

"Many people don't realize that they're also very cliquish," says the Richardson, who directs the referral service Senior Living Solutions. Adults who have struggled all their lives to socialize will still have to make the effort to make friends and join groups, she says. Age itself will not automati-

cally make everyone bond.

She also suggests that seniors look into the future to determine if a community where they can enjoy certain activities for the next few years will serve them in the long run when they have more health-related needs.

On the other hand, Richardson adds that niche communities can

allow seniors to develop very deep relationships.

"They help seniors keep their skills sharp with many activities that really interest them," she says.

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