



*From the Broker's Desk*  
Nancy C. Rowe

As we enter into 2015, I hope that this New Year offers good health and prosperity to all. National forecasts indicate a strong 2015 economy in both the housing market and with job growth. Those areas with the strongest job growth are seeing the greatest increase in sales activity and price increases for housing as more consumers are able to qualify for mortgage loans. Zillow predicts a continuing annual increase of 4.5% in residential prices. The National Association of Realtors (NAR) forecast for 2015 is that mortgage rates will increase by mid-year and reach 5% by year end because the Federal Reserve will be increasing the cost of borrowing money for the mortgage lenders. NAR research shows that housing sales in the next five years will be driven by the first time Millennial (21-34 yr old) home buyers who were unable to obtain jobs during the recession and therefore have continued to live at home or in roommates situations. One area that will continue to limit the Millennial's borrowing ability is the high student loan debt that many are facing upon graduation. During the recession, builders focused more on commercial and multi-family construction but predictions for 2015 by both NAR and National Association of Home Builders (NAHB) show that builders will be turning back to the construction of single family housing to meet a demand being created by qualified buyers as the economy improves. NAHB estimates single family production up 26%, multi-family to remain steady and remodeling activity up 2.7%. Kiplinger forecasts existing home sales to increase 8% while new construction sales will increase by 25% in 2015. All agree that the strict mortgage qualifications continue to limit those buyers who can qualify for a mortgage. Many homeowners are bound to their current house and mortgage because they will not qualify for a new mortgage under current guidelines. Investors purchasing foreclosures and short sales dominated housing sales during the recession but that inventory has been greatly reduced in the last few years and it is anticipated that by the end of 2015, this inventory will be back into the normal 1% range. Fannie Mae has reported that their current foreclosures stand at 1.91% after a high of 5.59% in February 2010 with Freddie Mac at 1.91% from 4.2%

in 2010. Now first time home buyers and owner occupied home buyers will have to pick up the slack in housing sales but access to credit continues to be their biggest hurdle. Approximately 30% of mortgages are purchased by FHA but new guidelines require private mortgage insurance coverage for the life of the loan, minimum 500 credit score, scores less than 580 require 10% down payment and FHA will not finance a house purchase that has sold within the last ninety days which eliminates "flipped" houses. Fannie Mae and Freddie Mac are working on loan programs offering 3% down payment but one of the borrowers must be a first time homebuyer and must attend homebuyer counseling, minimum credit score of 620 and private mortgage insurance is required. It is encouraging to see that the secondary mortgage market is seeking new programs to benefit the consumer without sacrificing the safeguards that have been enacted and we can hope that the lending institutions will also review their overlay guidelines and relax them to allow more borrowers to obtain mortgages. Overall it looks like 2015 will be a good housing year. Before the interest rates increase, you might want to speak with an experienced Agent at WILLOW Realty about buying or selling real estate.



**Year's end is neither an end nor a beginning but a going on, with all the wisdom that experience can instill in us.**  
~ Hal Borland

### Slow Cooker Baked Potato Soup

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|---------------------------------|--|
| 10 red potatoes, cut into cubes | 1/2 tsp ground black pepper                |
| 3 tbs all-purpose flour         | 3 c water                                  |
| 3/4 c real bacon bits           | 1 c half-and-half                          |
| 1 small red onion, chopped      | 1/2 c shredded Cheddar cheese, or to taste |
| 1 clove garlic, minced          | 1/4 c chopped green onion, or to taste     |
| 2 tbs chicken bouillon granules |  |
| 1 tbs ranch dressing mix        |  |
| 2 tsp dried parsley             |  |
| 1 tsp seasoned salt             |  |

Put potatoes in the bottom of your slow cooker crock. Scatter flour over the potatoes; toss to coat. Scatter bacon bits, red onion, garlic, chicken bouillon, ranch dressing mix, parsley, seasoned salt, and black pepper over the potatoes. Pour water into the slow cooker. Cook on Low 7 to 9 hours. Pour half-and-half into the soup; cook another 15 minutes. Garnish with Cheddar cheese and green onion to serve.



### Prepare for extremely cold weather every winter —it's always a possibility.

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There are steps you can take in advance for greater wintertime safety in your home.

\*Although periods of extreme cold cannot always be predicted far in advance, weather forecasts can sometimes provide you with several days' notice. Listen to weather forecasts regularly and check your emergency supplies whenever a period of extreme cold is predicted.

\*If you plan to use a fireplace or wood stove for emergency heating, have your chimney or flue inspected each year. Ask your local fire department to recommend an inspector or find one in the yellow pages of your telephone directory under "chimney cleaning."

\*Also, if you'll be using a fireplace, wood stove, or kerosene heater, install a smoke detector and a battery-operated carbon monoxide detector near the area to be heated. Test them monthly and replace batteries twice a year. All fuel-burning equipment should be vented to the outside.

\*Your ability to feel a change in temperature decreases with age. Older people are more susceptible to health problems caused by cold. If you are over 65 years old, place an easy-to-read thermometer in an indoor location where you will see it frequently. Check the temperature of your home often during the winter months.



\*Insulate any water lines that run along exterior walls so your water supply will be less likely to freeze. To the extent possible, weatherproof your home by adding weather-stripping, insulation, insulated doors, and storm windows or thermal-pane windows.

\*If you have pets, bring them indoors. If you cannot bring them inside, provide adequate shelter to keep them warm and make sure they have access to unfrozen water.

Checklist: Insulate walls and attic.

Caulk and weather-strip doors and windows.

Install storm windows or cover windows with plastic from the inside.

Insulate any water lines that run along outer walls. This will make water less likely to freeze.

Service snow-removal equipment.

Have chimney and flue inspected.

Install easy-to-read outdoor thermometer.

Repair roof leaks and cut away tree branches that could fall on your home or other structure during a storm.