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Rochester Real Estate TODAY



Rochester, MN

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Fed Keeps Rates Low

By Mark Hamrick

A statement from the Federal Open Market Committee, FOMC, was released stating the Fed says that the economy "has been expanding at a moderate pace," the central bank is keeping the program in place "to support a stronger economic recovery."

The FOMC says it "sees the downside risks to the outlook for the economy, and the labor market as having diminished since the fall." The statement goes on to say that policymakers expect "economic growth will proceed at a moderate pace and the unemployment rate will gradually decline."

In a projection released with the statement, the Fed says it now anticipates unemployment of between 6.5 percent and 6.8 percent during 2014. In March, the central bank had estimated somewhat higher joblessness next year, in a range of 6.7 percent to 7.0 percent. The Fed's target is an unemployment rate of 6.5 percent.

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Local: First quarter sales of single family homes in Rochester were \$65,718,705. This represents increases of 18.3 percent over first quarter 2012, 56.5 percent over 2011, 56 percent over 2010, and 40.4 percent over 2009. The average home in Rochester sold for \$179,559 during the first quarter of 2013, and the median sale price was \$154,500. There were 366 units sold during the first quarter. The average time on the market was 152 days.

Source: SE Minnesota Association of Realtors

National: Existing-home

sales improved in May and remain solidly above a year ago, while the median price continued to rise by double-digit rates from a year earlier, according to the National Association of Realtors®. Total existing-home sales rose 4.2 percent to a seasonally adjusted annual rate of 5.18 million in May from 4.97 million in April, and is 12.9 percent above the 4.59 million-unit pace in May 2012. Lawrence Yun, NAR chief economist, said the recovery is strengthening and to expect limited housing supplies for the balance of the year in much

of the country. "The housing numbers are overwhelmingly positive. However, the number of available homes is unlikely to grow, despite a nice gain in May, unless new home construction ramps up quickly by an additional 50 percent," he said. "The home price growth is too fast, and only additional supply from new homebuilding can moderate future price growth." Existing-home sales are at the highest level since November 2009 when the market jumped to 5.44 million as buyers took advantage of tax stimulus.

Rochester Minnesota Spring Market

Second Quarter 2013 (Single Family)

Active Rochester NE	106 Average List \$239,219
Average Market Time NE	95 Days for Active Homes
Closed Rochester NE	75 Average Sale \$211,411
NE Sale Price to List Price	95.69 %
Average Market Time NE	91 Days for Sold Homes
Active Rochester NW	198 Average List \$189,325
Average Market Time NW	75 Days for Active Homes
Closed Rochester NW	204 Average Sale \$187,406
NW Sale Price to List Price	97.03 %
Average Market Time NW	72 Days for Sold Homes
Active Rochester SE	88 Average List \$175,311
Average Market Time SE	102 Days for Active Homes
Closed Rochester SE	89 Average Sale \$139,250
SE Sale Price to List Price	95.73 %
Average Market Time SE	64 Days for Sold Homes
Active Rochester SW	125 Average List \$295,088
Average Market Time SW	96 Days for Active Homes
Closed Rochester SW	88 Average Sale \$291,200
SW Sale Price to List Price	96.36 %
Average Market Time SW	90 Days for Sold Homes

NOTE:

Market value is neighborhood specific and must take into consideration several variables, including the unique qualities of the property.

Contact Dave for a complete Competitive Market Analysis of your home or investment property.

This information is based on data supplied by the SE MN Association of REALTORS, or the Multiple Listing Service, and does not guarantee accuracy.

Information does not include listings of brokers who are not Association or MLS members, and unlisted properties.





Staying Well

Snacking Your Way to Health

Too many snacks between meals are obviously not good for you. There is a way to use healthy snacks to build muscle and shed fat while making you feel better. A recent study found that having a high protein and carbohydrate snack after working out can help improve your overall well-being.

The researchers looked at exercisers who were snacking after a work-out. They gave these exercisers a 250-calorie shake with 24 grams of protein and 36 grams of carbs right after they did a strength training session. These people were followed for six months. At the end of the study session, those who drank the shake lost about four pounds more fat and added almost two pounds more lean muscle than those who did not drink the shake after their work-outs.

So what are the best post-exercise snacks? Try a banana with peanut butter, a wedge of cheese and an apple, a couple of hard-boiled eggs and some dried fruit, or your favorite protein shake. For the most bang for your buck, try to eat your snack within 30 minutes.

NEWS from the Byron Review

“We’re rockin,” said Mary Blair-Hoeft, city administrator. “I think as long as Rochester grows, I think Byron will grow. As long as Mayo is healthy, Byron will be.”

The numbers speak for themselves.

Last year, Byron’s permits increased to 42 and could possibly beat that number by double digits this year.

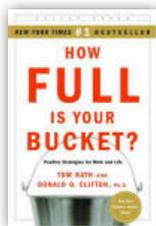
For 2013 so far, city staff has issued 26 permits.

So far this year, according to Byron city staff, Oronoco has issued 12 new housing permits; Kasson 9; Stewartville 6; Zumbrota 4; and Pine Island 3.

Blair-Hoeft also said she thinks the frontage road renovation, which should be completed in November, could very well draw in more permits.

“I think it’s going to make Byron more visibly attractive,” she said.

Why being kind “fills your bucket”



When you are kind to someone or give them a compliment, it lifts your mood. Authors Tom Rath and Donald Clifton, say you are “filling your bucket” of positive experiences.

In their book How Full Is Your Bucket (Gallup Press), they say every interaction you have adds to or subtracts from your bucket. Happiness depends on how full of positive, affirming experiences your bucket is at any given time.

Bucket-filling is contagious, the authors say. Your kindness sparks a chain reaction. It makes people you have been kind to want to be kind to others.

To keep your bucket full, they recommend five positive encounters to every negative one. You can reach that goal by commenting to people about what they do right. Support your friends. Give sincere smiles.

Home remodeling for baby boomers



If you’re among America’s baby boomer generation, it’s wise to remodel your home today for your needs in the future. *Here are some tips and ideas:*

- **Don’t wait until the last-minute** - If you intend to live in your current home into your 60s, 70s and 80s, don’t wait until health challenges force you to make changes to your home. Create a master plan now.
- **Get an expert** - Seek out builders and remodelers who have earned the National Association of Home Builders (NAHB) age-in-place certification. These design/build firms are knowledgeable about universal design principles and in building and remodeling homes that meet the needs of aging boomers.
- **Plan for one-level living** - As you remodel your home, create a plan so that everything you need is on one floor, easily accessible to your main entrance on the ground floor. This includes a bedroom, a bathroom with shower, washer and dryer, kitchen and dining area.

Money Tip:

Some people consider a mortgage a type of good debt because you are able to deduct the interest you’ve paid. But realize that you are still paying interest.

If you’ve had your mortgage for a while, you are paying less in interest, but also getting a smaller tax deduction.

Once you have credit card debt paid off, try to pay down your mortgage faster. The savings really add up in the long run.

Organizing Tip:

Organizing and storing your garden tools correctly can help them last a lifetime.

Fill a 5-gallon bucket with mason’s sand and add about one quart of clean motor oil. Mix well to distribute the oil throughout the sand. To clean and lubricate your shovel or other garden hand tools, plunge them into the sand a few times before storing.

You can also store these tools with the blades in the sand to help prevent rust. If you don’t want to use that much sand, you can fill a large coffee can with sand and oil for your

“Ability-to-Repay”

The Consumer Financial Protection Bureau (CFPB) has adopted a new rule that will protect consumers from irresponsible mortgage lending by requiring lenders to ensure prospective buyers have the ability to repay their mortgage.

The Ability-to-Repay rule, also known as Qualified Mortgages (QMs), protects borrowers from the kinds of risky lending practices that resulted in so many families losing their homes. “This common-sense rule ensures responsible borrowers get responsible loans,” says CFPB Director Richard Cordray.

The rule protects borrowers from risky lending practices such as “no doc” and “interest only” features that contributed to many homeowners ending up in delinquency or foreclosure after the 2008 housing collapse. What followed was the collapse of the housing market in 2008 and the subsequent financial crisis.

Under the Ability-to-Repay rule, all new mortgages must comply with basic requirements that protect consumers from taking on loans they don't have the financial means to pay back.

Among the features of the new rule:

Financial information has to be supplied and verified: Lenders must look at a consumer's financial information. A lender generally must document: a borrower's employment status; income and assets; current debt obligations; credit history; monthly payments on the mortgage; monthly payments on any other mortgages on the same property; and monthly payments for mortgage-related obligations.

A borrower has to have sufficient assets or income to pay back the loan: Lenders must evaluate and conclude that the borrower can repay the loan. For example, lenders may look at the consumer's debt-to-income ratio – their total monthly debt divided by their total monthly gross income.

Teaser rates can no longer mask the true cost of a mortgage: Will have to determine the consumer's ability to repay both the principal and the interest over the long term – not just during an introductory period when the rate may be lower.

Says CFPB Director Cordray, “The Ability-to-Repay rule will help ensure that lenders and consumers share the same basic financial incentives – that both of them win when borrowers can afford their loans.”

Minnesota FACTS

- Minnesotan baseball commentator Halsey Hal was the first to say ‘Holy Cow’ during a baseball broadcast.
- The Mall of America in Bloomington is the size of 78 football fields --- 9.5 million square feet.
- Minnesota Inventions: Masking and Scotch tape, Wheaties cereal, Bisquick, HMOs, the bundt pan, Aveda beauty products, and Green Giant vegetables
- The St. Lawrence Seaway opened in 1959 allowing oceangoing ships to reach Duluth.
- Minneapolis is home to the oldest continuously running theater (Old Log Theater) and the largest dinner theater (Chanhassan Dinner Theater) in the country.
- The original name of the settlement that became St. Paul was Pig's Eye. Named for the French-Canadian whiskey trader, Pierre “Pig's Eye” Parrant, who had led squatters to the settlement.
- The world's largest pelican stands at the base of the Mill Pond dam on the Pelican River, right in downtown Pelican Rapids. The 15 1/2 feet tall concrete statue was built in 1957.

Keeping Your Older Dog Healthy

At around eight years of age, dogs begin to show some signs of age-related changes in health. While some of these are avoidable, you can help your dog to stay healthy and active, even into old age.

One of the most important things you can do is realize that when your dog gets older, he needs a change in diet.

For small breeds, that change may begin at age seven, but larger breeds need a change in diet even earlier, beginning at five years of age. You should talk to your veterinarian about the necessary changes in diet for your dog.

Some senior diets for dog have reduced levels of protein, but studies have shown that this is not the best choice. Protein levels do not contribute to the development of disease, so you should be feeding your older

dog a diet that contains good levels of highly digestible protein. This helps maintain muscle mass and energy levels. Dogs also begin to put on body fat as they age, due to a change in their metabolism and a decrease in activity level. A good diet for an older dog has a decrease calorie level, while still maintaining optimal levels of protein.

A good diet for a senior dog should include an increase in GLA, an omega-6 fatty acid, and FOS, which promotes the

growth of beneficial bacteria in the gut. Your dog should also get higher levels of antioxidants such as vitamin E and beta-carotene.

Finally, remember that regular exercise is a must for good health as your dog ages. Changes in your dog's daily routine can cause stress, so make any changes in daily activity gradually.





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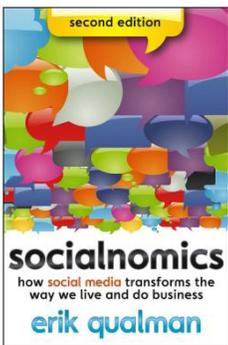
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Summer Reading: Socialnomics



Called the Digital Dale Carnegie, Erik Qualman is an inspirational International Speaker on Digital Leadership, Social Media, Digital Trends and Digital Motivation. Qualman is a MBA Professor at the Hult International Business School.

For the past 18 years Qualman has helped grow the digital capabilities of many companies including Cadillac, EarthLink, EF Education, Yahoo, Travelzoo and AT&T. He is the founder and owner of socialnomics.com, which PC Magazine ranks as a Top 10

Social Media Blog. He sits on the Boards of Manumatix, Bazaar-

voice Inc., and WannaBeeSocial. Qualman holds a BA from Michigan State University and an MBA from The University of Texas.

Erik Qualman is the author of Socialnomics: How Social Media Transforms The Way We Live And Do Business. Socialnomics made Amazon's #1 Best Selling List.

His book Digital Leader helped him be voted the 2nd "Most Likeable Author in the World" behind Harry Potter author J.K. Rowling. He also holds the Guinness Book of World Record for the longest continuous podcast. Socialnomics was a finalist for the "2010 Book of the Year" awarded by the American Marketing Association. Qualman produced "Social Media Revolution" the most viewed social media video series in the world, which has been used by NASA to the National Guard.

Three Groups Now Downsizing

Many people are looking for smaller homes for a variety of reasons. For most, there has been a philosophical shift, considering a move to a smaller living space less of a downsizing and more of a right-sizing decision.

The small-spaces movement is largely spurred by three distinct groups:

- The 80 million-strong Generation Y, the so-called "millennials," want to live in exciting urban settings and consider smaller living spaces a good way to enter the real estate market they desire. Urban lofts and modern condos are big hits in cities of all sizes.

Generation X and baby boomers are both downsizing

- Aging baby boomers are selling their larger homes and trading them for more convenient patio homes, one or two bedroom homes or condos in communities where shared fees pay for property and landscape maintenance.

- Those affected by the declining real estate market are looking to build or buy smaller homes.

In early 2008, the average size home being built was 2,629 square feet.

By mid-2010, it had shrunk to 2,169, according to the U.S. Census Bureau.