



Houses on Lanier

Real Estate Newsletter



www.housesonlanier.net

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Bev Knight, Keller Williams Realty

This quarterly newsletter, provided by Bev Knight, Lake Lanier Specialist with Keller Williams Realty, is designed to keep current and potential Lake Lanier homeowners informed about the latest news and events affecting our area.

Fourth Quarter '08 Lanier Stats

These statistics were generated through the FMLS.

- Lanier houses w/ docks sold in Q4: **20** (compared to 44 in '07)
- Average sales price: **\$642,021** (\$642,783 in '07)
- Average days on market 'til sold: **100** (184 in '07)
- Ratio of sales price to list price: **96%** (90% in '07)
- Number of lake houses w/ docks for sale 1/9/09: **366**
- Avg. list price of lake houses for sale on 1/9/09: **\$1,072,969**
- Foreclosed lake houses for sale: **14** (This is a new FMLS search option. There may be other foreclosures not yet updated that were entered before this option was added.)
- Average list price of a foreclosed lake house: **\$ 554,814**



As you can see, the 4th quarter of 2008 was even slower than normal for lake homes. Specifically, the period surrounding the election and the economic bailout was almost completely dead. The good news is that around Thanksgiving, not only did buyers start calling, but they started making offers, and those offers were accepted. The explosion of foreclosures continues to affect home prices and inventory levels. One closing attorney said that 80% of her December closings were foreclosures. Nationally, the average price of a home is down 17% while in Georgia, it's around 10%. Lake homes with docks in the water are holding their value a little better.

Lake's rising. Drought over?

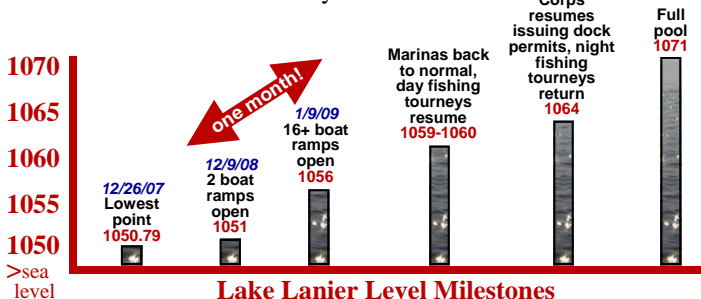
On 12/9/08, the level of Lake Lanier dropped to a 2008 low of 1051 feet, 20 feet below full pool. The media was abuzz with reports that it was about to surpass the all-time record low set 12/26/07 of 1050.79. Then, it started to rain. The ground became saturated, the evaporation was very low, and the Corps was releasing as little water as possible. As a result, within a month, the lake had risen five feet to 1056.

What's the significance of that? Short term, it makes the lake safer to navigate and allows activities to resume. (see below)

For the lake-home real estate market, every foot the lake rises puts grounded docks back into the water. It is almost impossible to sell a lake house whose dock is in the mud. Not only are buyers not interested, but appraisers will deduct \$200,000 to \$250,000 from the value of the house when the dock is unusable.

State climatologists report that we may be shifting to a La Nina weather pattern which means above average rain. It is normal for the lake's low to occur around Christmas, and it usually reaches its high near Memorial Day after the rainy season.

All the long-time lake residents just smile and wink. "We told ya it would come back. It always does."



Make a Difference!

Many people believe our lake level problems are all due to the drought. In fact, the drought has simply magnified a problem that has existed for years. Lanier's water travels downstream through Alabama to Florida, and those states claim that Georgia is using more than its share. We are surprised when we leave our lake, down 20 feet, and travel through our neighboring states to see that their lakes are almost full. Then we hear stories of the mussels and sturgeon who are stressed from inadequate water flow, while Atlantans live in fear that we'll run out of drinking water. Our lawns are shriveled and brown from watering restrictions, while the yards in Alabama and Florida are green and lush -- no watering restrictions there. Our docks are grounded, lake home prices and demand are way down, and businesses that depend on our lake have gone bankrupt. It is frustrating beyond words, and now it's time we all join together to do something about it.



There are several groups that work tirelessly to take care of our lake, correct the misinformation, communicate the truth to the media, and work with legislators and regulators to make sure our side of the story is told. Please, please consider giving your time and/or money to one of these groups.

1071 Coalition - This is a newly-formed group whose mission is to promote healthy water levels in Lake Lanier and to represent our interests. Their three immediate objectives are:

- to commission a Lanier impact study on the area's economy to counter the misinformation from other states and to ensure our position is considered in water management decisions
- to urge government officials to put the highest priority on this issue and to take actions in the best interest of Georgians
- to serve as a voice in the public relations fight between states

You can learn more about this group at www.1071coalition.org.

Lake Lanier Association - You may have participated in the Shore Sweeps sponsored by the non-profit LLA, but they do so much more. They are active advocates for protecting the quality and quantity of Lake Lanier through education, action and advocacy. They also serve as a resource in the tri-State litigation ("water wars") as well as other legal and legislative issues. To get involved, visit www.lakelanier.org.

Upper Chattahoochee Riverkeeper - Their mission is to protect Lake Lanier and its watershed ensuring a clean and full lake that enhances the lake's economic value to Georgia. In addition to playing a key role in the tri-state litigation, they patrol the river checking for pollution, man a citizen hotline for water problems, organize volunteers who remove tons of trash from the lake, and much more. To see how you can help, visit www.ucriverkeeper.org.

Georgia Water Coalition - This group works to ensure that Georgia waters continue to belong to the people of this state. Specifically, their goals are to protect downstream communities, promote efficient water use, ensure the water's cleanliness and provide for public input while respecting Georgia's 14 river basins. Find out more at www.gawater.org.

Mortgage News, by Lou Sarris

The recent normalization of the real estate market has created a strong buyers' market, particularly for first-time buyers and real estate investors who don't have to wait for their home to sell before taking advantage of lower prices and increased choices. Here are some facts and tips you might find useful.

New Tax Credits for First-Time Home

First time home buyers, defined as people who haven't owned a home in the past three years, are eligible to receive up to a \$7,500 in tax credits, based on a joint filing couple earning less than \$150,000 annual income.

Individual's earning less than \$75,000 can receive up to \$3,750. The tax credit is actually a zero interest loan that is repayable over 15 years. The credit applies to homes purchased up until July 1, 2009.



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"There is plenty of money to lend."

You don't need perfect credit with 20% down.

There are thousands of homes for sale that are the deal of a life time...why wait when you can walk into instant equity!"

Interest Rates are Low

Thirty year fixed mortgages (FRM's) have been hovering around 6% for the past few years, representing the most stable period for interest rates in 40 years. Rates are expected to stay low for the near future. Recently, rates have been as low as 4.375% on 30 yr fixed loans!

Loans Still Available

Although underwriting guidelines have changed and will continue to do so, lenders are still making home loans with down payments as low as 3.5%. The best advice is to:

- Reduce or eliminate all credit card debt.
- Avoid high interest rate loans on consumer purchases.
- Build your cash reserves as much as possible.
- Raise your credit score as high as possible to get the best terms & rate.
- Most important, be prepared to document your income and assets.

COMMUNITY - More Than Just a Pretty Lake

Lake Lanier Area - A Mecca for Golf Lovers

Most people who live on the lake tend to love the sunshine, fresh air, and recreation of the great outdoors. It's not surprising that those same people are often avid golfers. That may explain the abundant concentration of golf courses located within ten miles of the lake. As one new lake resident put it, "I moved here for Lake Lanier, but I was pleasantly surprised that everywhere I turn, there's a great golf course. I feel like I've died and gone to heaven!"

Not only are there quite a few golf courses, but they are generally beautiful *and* affordable. Whether a course offers mountain views, lake views, or just gorgeous dogwoods and azaleas, they are all steeped in north Georgia charm. One of the most popular courses is Chicopee Woods Golf Club in Gainesville. Their pro, Greg Lee, describes the benefits of their location, "We are fortunate to be so close to the lake and all the great folks who live there. So many of them are golfers, and we love having 'em!" He goes on to explain why that course has remained so successful even in these tough times. "Regardless of the economy, we are committed to keeping the same level of excellence in maintaining our course." That extra effort shows not only there, but at all the beautiful courses in the area.

If you would like to try out one of the wonderful golf courses around Lanier, here are some of your options.

Achasta Golf Club - 639 Birch River Dr., Dahlonega - 706-867-7900

Château Élan - 100 Rue Charlemagne, Brasselton - 800-233-9463

Chattahoochee Country Club - 300 Club Drive, Gainesville - 770-536-0066

Chestatee Golf Club - 777 Dogwood Way, Dawsonville - 706-216-7336

Chicopee Woods Golf Club - 2515 Atlanta Hwy., Gainesville - 770-534-7322

Country Land Golf Course - 6560 Mayfield Drive, Cumming - 770-887-0006

Crystal Falls Golf Club - 210 Marina Way, Dawsonville - 770-894-4972

Emerald Pointe, Lake Lanier Islands - 7000 Holiday Rd., Buford - 770-945-8787

Hampton Golf Village - 6310 Hampton Golf Club Dr., Cumming - 770-205-7070

Lanier Golf Club - Buford Dam Rd., Cumming - 770-887-6114

Polo Golf Club - 6300 Polo Club Drive, Cumming - 770-887-4049

Reunion Golf Club - 5609 Grand Reunion Dr., Hoschton - 770-967-8300

Royal Lakes Golf - 4700 Royal Lakes Dr., Flowery Branch - 770-535-8800

Sugar Hill Golf Club - 6094 Suwanee Dam Road, Sugar Hill - 770-271-0519

Traditions of Braselton - 350 Traditions Way, Jefferson - 706-658-0070

Windermere Golf Club - 5000 Davis Love Dr., Cumming - 678-513-1000

Latest From the Corps

As a result of the recent rains, several boat ramps have re-opened. Watch for more openings soon as the water reaches the 1056 foot level and several ramp extensions are completed. The Corps still reminds us to be careful on the lake as there are still dangers just underneath the water's surface.

When the lake reaches 1059, the Corps will once again offer day-time special events passes for fishing tournaments. At 1064 feet, they will start allowing night fishing tournaments and resume accepting applications for the remaining dock permits. Exactly 10,615 permits have been approved for Lanier. These permits have been on-hold since the lake level has been so low. Word has it that there are fewer than 500 permits still available, and probably closer to 150. If you are waiting for one, watch these lake levels closely.

Open Boat Ramps as of January 8

Charleston
Clarks Bridge
East Bank
Little Hall
Lower Pool



Old Federal
Shoal Creek
Tidwell
Van Pugh N
War Hill

Dear Friends,

If you've been waiting for this market to hit bottom, I believe that happened at the end of October right before the election. The bailout certainly had a negative effect, too. The market for lake homes was terrible; but, since Thanksgiving, the activity really picked up. All buyers are looking for great bargains, and they're finding them. Sellers who weren't in a hurry took their homes off the market, so the ones who are left are realistic and ready. Remember, even though your house lost 10% of its value in '08, so did the house you're buying. Maybe your selling power decreased, but you're buying power increased by the same amount or more. Interest rates are at record lows, the rain is raising lake levels, and good times are coming.

Please call me if you need me,

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