

East Tennessee Waterfront Properties, LLC

Real Estate Broker

Residential-Mountain-Land-Commercial

Spring 2008 Newsletter

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Premier Issue!



Have you seen this? Its one of the many spectacular sights on and around Watts Bar Lake!

Welcome,

And thank you for you for taking a few minuets too review the Premier Issue of the East Tennessee Waterfront Properties quarterly newsletter. Our goal in providing this newsletter is to keep you informed of the issues effecting life and real estate in the region. We will have regular features like our Brokers Corner column where our principal broker, Cindi Porter will discuss the latest law and rule changes as well as general advice on buying and selling real estate. We will also have

an ongoing series of articles on Energy Savings tips provided by TVA.

There will also be some good advice from the National Association of Realtors on buying and Selling property and homes and on the back page will be a recurring column we are calling "View from the Dock" where we will editorialize life and observations on East Tennessee's lakes and the Tennessee River. All in all we want it to be fun and informative. We hope you will enjoy this newsletter and come back every quar-

ter to see what's new. We welcome your comments on the content and any suggestions you have on topics you would like us to address. Your comments can be emailed directly to us at: newsletter@etwaterfront.com.

Brokers Corner !

What's happening in my Market is the burning question I'm getting from not only sellers but potential buyers. I am very passionate about this subject because I believe the media has scared people into thinking there is more of a problem than there really is. For instance, in mid February President Bush signed

into law a \$150 billion federal economic stimulus package. This allows Fannie Mae and Freddie Mac to buy conforming loans up to 125 percent of the area median home price, capped at \$729,750. Thus stimulating higher loan limits will open up desirable inventory for first-time buyers, because

existing home owners will jump into the market. By triggering this chain reaction everything is lining up to bring a bullish outlook of Market conditions in the months ahead. I believe buyer traffic will be up providing us with a brightened picture. Interest rates are still historically low.

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In each issues, we will feature energy saving ideas promoted by TVA for its customers. Look for these tips in upcoming issues!

Energy Saving Tip!

Zero-Energy Homes



Zero-energy homes are structures built with the eventual goal of producing as much energy as they consume. They incorporate the most advanced energy efficient features for heating and cooling, lighting, siding and insulation, roofing, and

solar power. The attainment of zero energy involves not only the selection of the right high-efficiency components, but also the prudent use of electricity throughout the home.

From 2002 to 2005, TVA and the Oak Ridge National Laboratory built five such homes in Lenoir City, Tennessee, through the Habitat for Humanity program. As each new home was built, the lessons learned from the earlier homes were incorporated into the design to produce even greater energy savings.

The goal of a fully sustainable zero-energy home has not yet been reached but should be attainable for new homes within a few years.

In 2006, power costs for the house shown above — with two occupants, 1,200 square feet, a 2.2-kilowatt photovoltaic system, and a 17 SEER air source heat pump — were only \$0.41 a day.

Drought results in very low levels on area reservoirs

Extended drought conditions across the Tennessee Valley have caused the tributary reservoirs on the Tennessee River system to stay well below their targeted levels for this time of year, and some reservoirs have already reached winter levels. Water levels in tributary reservoirs in the eastern part of the Valley are averaging 23 feet below normal.

Water levels in main-river reservoirs are near normal because they have less storage space than tributary reservoirs, and because the main river channel must have deep enough water for commercial barge traffic.

“Any rainfall will help,” said TVA Senior Vice President of River Operations Janet Herrin. “However, at this point, with a 15-inch rainfall deficit in 2007, we would not expect even the remnants of a tropical storm or hurricane to have a significant impact on the tributary reservoirs.”

As part of the Reservoir Operations Study implemented in 2004, TVA

restricts how much water it releases from the tributary reservoirs from June 1 through Labor Day, so there’s more water for recreation. Throughout the summer, TVA releases only enough water from upstream reservoirs to protect aquatic species and meet other downstream needs.

On Aug. 1, TVA increased its water releases from the tributary reservoirs to meet minimum flow requirements downstream. Coupled with the lack of rain throughout the year, the releases during August resulted in the current low levels.

After Labor Day weekend, TVA begins an unrestricted drawdown of reservoirs to reach winter levels. This year, however, many reservoirs already are at or near their winter levels, so TVA plans to continue releasing only enough water for minimum flows through the river system. This means tributary reservoir levels will drop at a slower rate than usual this fall.

Herrin said all tributary reservoirs are drawn down proportionately as TVA

maintains the minimum flows. “We draw water from the tributary reservoirs as fairly as possible, so everyone sees the same impacts,” she said.

In the eastern part of the Valley, rainfall for the year is 42 percent below normal, and runoff (the amount of water that reaches the reservoirs) is 52 percent below normal. Because of the lack of rain and runoff all year, TVA has moved only enough water through the system for minimum flows since February.

No additional water has been withdrawn for hydro generation. As a result, hydro generation is about 40 percent below normal for the year, and TVA has been forced to buy more power than planned to meet the record power demands that occurred during August.

In addition, with the drought and unusually high August temperatures, TVA has cut back on power production several times during recent weeks at some of its most efficient coal and nuclear plants to keep river temperatures from exceeding state environmental limits.



10 Ways to Prepare for Homeownership

- 1. Decide what you can afford.** Generally, you can afford a home equal in value to between two and three times your gross income.
- 2. Develop your home wish list.** Then, prioritize the features on your list.
- 3. Select where you want to live.** Compile a list of three or four neighborhoods you'd like to live in, taking into account items such as schools, recreational facilities, area expansion plans, and safety.
- 4. Start saving.** Do you have enough money saved to qualify for a mortgage and cover your down payment? Ideally, you should have 20 percent of the purchase price saved as a down payment. Also, don't forget to factor in closing costs. Closing costs — including taxes, attorney's fee, and transfer fees — average between 2 and 7 percent of the home price.
- 5. Get your credit in order.** Obtain a copy of your credit report to make sure it is accurate and to correct any errors immediately. A credit report provides a history of your credit, bad debts, and any late payments.
- 6. Determine your mortgage qualifications.** How large of mortgage do you qualify for? Also, explore different loan options — such as 30-year or 15-year fixed mortgages or ARMs — and decide what's best for you.
- 7. Get preapproved.** Organize all the documentation a lender will need to preapprove you for a loan. You might need W-2 forms, copies of at least one pay stub, account numbers, and copies of two to four months of bank or credit union statements.
- 8. Weigh other sources of help with a down payment.** Do you qualify for any special mortgage or down payment assistance programs? Check with your state and local government on down payment assistance programs for first-time buyers. Or, if you have an IRA account, you can use the money you've saved to buy your first home without paying a penalty for early withdrawal.
- 9. Calculate the costs of homeownership.** This should include property taxes, insurance, maintenance and utilities, and association fees, if applicable.
- 10. Contact a REALTOR®.** Find an experienced REALTOR® who can help guide you through the process.

5 Common First-Time Home Buyer Mistakes

1. They don't ask enough questions of their lender and end up missing out on the best deal.
2. They don't act quickly enough to make a decision and someone else buys the house.
3. They don't find the right agent who's willing to help them through the homebuying process.
4. They don't do enough to make their offer look appealing to a seller.
5. They don't think about resale *before* they buy. The average first-time buyer only stays in a home for four years.

5 Factors That Decide Your Credit Score

- 1. Your payment history.** Did you pay your credit card obligations on time? If they were late, then how late? Bankruptcy filing, liens, and collection activity also impact your history.
- 2. How much you owe.** If you owe a great deal of money on numerous accounts, it can indicate that you are overextended. However, it's a good thing if you have a good proportion of balances to total credit limits.
- 3. The length of your credit history.** In general, the longer you have had accounts opened, the better. The average consumer's oldest obligation is 14 years old, indicating that he or she has been managing credit for some time, according to Fair Isaac Corp., and only one in 20 consumers have credit histories shorter than 2 years.
- 4. How much new credit you have.** New credit, either installment payments or new credit cards, are considered more risky, even if you pay them promptly.
- 5. The types of credit you use.** Generally, it's desirable to have more than one type of credit — installment loans, credit cards, and a mortgage, for example.

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**EAST TENNESSEE
WATERFRONT PROPERTIES, LLC**

Our Mission Statement

“EAST TENNESSEE WATERFRONT PROPERTIES, LLC is dedicated to providing quality products and services to all of its clients and customers. A primary goal of EAST TENNESSEE WATERFRONT PROPERTIES, LLC is continued profitable growth through a focused marketing strategy and close attention to its clients and customers. This can only be accomplished by the company working with and in support of its independent contractors, employees, customers, suppliers and the communities it serves.

EAST TENNESSEE WATERFRONT PROPERTIES, LLC is dedicated to providing a safe, challenging, progressive and financially satisfying opportunity for all its independent contractors, employees and stakeholders.”

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View from the Dock

Looking out over the water these last few mornings it's easy to tell that the winter is finally behind us and that spring is finally here. It has amazed me how the lake here falls into a quiet routine for the winter, the coming and going of the various bird populations, deer, the coyotes and other wildlife seem to just have that simple easy going pace. But now things are changing. With the daylight lasting longer in the evenings, more people are starting to get out on the water again, sailboats have been more prevalent as the temperatures stay warmer and the fishermen our zipping back

and forth getting to their favorite spots.

That's one of the great things about living on the water; there is a continual vitality that exists. We are all fortunate in this area to have these great resources that provide such a diverse level of activity for us to enjoy. With that comes the responsibility to treat it with respect, so as with any spring cleaning you do inside or outside at home, take it a step further to the outdoors. If you see floating trash, stop and pick it up. If you are walking the shoreline, pick up any trash you come across. Leave it better than you found it. If we would all do just a

little, it will have a big impact.

Spring is also a great time to refresh ourselves on boating etiquette and safety. Take a minute to review the “rules of the road”. Make sure your boat is equipped with the correct number and type of life jackets you will need on board and make sure your flares and fire extinguishers are not expired and are in good shape. It's also a good idea to look over that first aid kit and replace items used last year or items that have reached their expiration date. Also, check the boat's safety features like the horn, bilge pump and motor safeties. Have a Great Spring!

