

Open House: Lincoln bicentennial builds interest in log cabins

by *Jim_Woodard*

Log homes, firmly ingrained in our nation's history, are still very popular with today's buyers — particularly with those seeking a second or vacation home.

The most famous of all log cabins is the birthplace of Abraham Lincoln. The spotlight is on that tiny cabin more than ever this year, as we observe the bicentennial of Lincoln's birth. That cabin had only one room, one door, one window with no glass in it, and a dirt floor.

The image of that humble cabin is now featured on the back of the new penny being produced by the U.S. Mint. The coin was released in mid-February. It depicts Lincoln's birthplace and his early childhood in Kentucky.

"The creation of the new Lincoln penny is an exciting event for the log home industry," said Rob Cantrell, president of StoneMill Log Homes in Knoxville, Tenn. "Log home manufacturers take pride in the unique connection they have to the history of log homes in the United States. Acknowledging Lincoln's log cabin on a U.S. coin makes us proud to be carrying on this age-old building practice."

Cantrell's firm is a member of the Log Home Council of the National Association of Home Builders.

Building log homes has become much more intricate and efficient over the years, he noted. "It's amazing to step back and see how far the log home industry has come in the past several decades, let alone two centuries. With techniques like log grading and specialized fastening systems, today's log homes are able to offer consumers structurally sound, energy-efficient homes that still manage to capture the rustic charm that log homes have had for generations."

In observance of the release of the new coin, the Log Home Council is donating 100,000 pennies worth \$1,000 to the "Abraham Lincoln Bicentennial Commission, the group that was heavily involved in the creation of the coin.

Never before has the humble and historic log home been the focus of such attention. It will probably stimulate more interest in buying or building log homes in future months and years.

Q: Are mortgage rates generally falling or rising?

A: Mortgage interest rates are slowly heading upward after dipping to historic lows. From a low of 4.97 percent for a 30-year, fixed-rate loan in mid-January, at this writing it's 5.16 percent, according to Freddie Mac, a major government-sponsored buyer of existing mortgages. Last year at this time, the rate was 5.48 percent. Rates have been rising and falling in recent weeks, but the general direction is up.

"Interest rates for fixed-rate mortgages are rising amid economic reports that were somewhat better than consensus forecasts had anticipated," said Frank Nothaft, FreddieMac vice president and chief economist. "The economy slowed by 3.8 percent in the fourth quarter of 2008, less than the market consensus, with inflationary pressures held at bay. Meanwhile, personal incomes fell by only half as much as some market forecasters predicted. Low mortgage rates and falling house prices have made housing the most affordable in 19 years."

Q: Do most homeowners realize their home value has dropped?

A: Apparently, homeowners today are more inclined to accept the hard fact that their home has lost some of its previous value. They are facing the reality that home values have declined in recent months.

That was revealed in a homeowner confidence survey, conducted by Zillow.com. More than half — 57 percent — of homeowners now believe their homes lost value during the past year, according to the survey. That's considerably more than the 38 percent who believed their home's value was declining in mid-2008.

Most homeowners were optimistic, however, about the future value appreciation potential of their property. They believe the worst might be over. The survey found 70 percent believe their home's value will either increase or stay the same in the first half of 2009. Only 30 percent think it will decrease.

Q: Is it true that FSBO homes sell faster?

A: I recently received a news release from ForSalebyOwner.com. It referred to the Profile of Home Buyers and Sellers survey and report published by the National Association of Realtors.

"Tucked away in that report was research that found that people who sell their homes 'by owner' (FSBOs) actually sell them quicker and for closer to asking price than agent-assisted sellers," the release stated. Various figures were cited.

I checked with Jed Smith, NAR's managing director of quantitative research, about the release. He said the information contained in the release was false. The figures cited were taken out of context and did not consider such factors as size and location of homes, and whether or not they were finally sold to relatives or close friends.

To read a copy of NAR's Profile of Home Buyers and Sellers, visit: www.realtor.org.

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