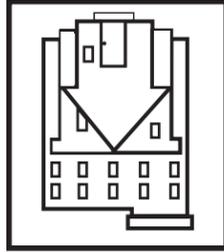


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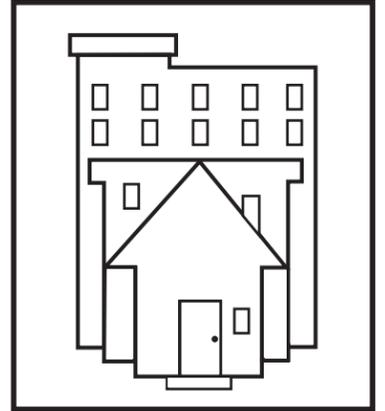
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2nd Quarter 2017

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**USDA: Child Born in 2015 Will Cost \$372,000 to Raise**  
*Cost to raise a child varies by region, income and number of children*

Did you have a child in 2015? The U.S. Department of Agriculture (USDA) released the 2015 Expenditures on Children by Families report. The report, developed by economists at USDA's Center for Nutrition Policy and Promotion (CNPP), estimates that for a child born in 2015, a middle-income married-couple family will spend between \$12,350 and \$13,900 annually (in 2015 dollars) – or \$233,610 from birth through age 17 – on child-rearing expenses. Families with lower incomes are expected to spend \$174,690 and families with higher incomes are expected to spend \$372,210 from birth through age 17. Many state governments use this annual report, first issued in 1960, as a resource in determining child support and foster care guidelines.

“This report, which we have produced for 55 years, gives families a greater awareness of the expenses they are likely to face, and serves as a valuable tool for financial planning and educational programs, as well as courts and state governments.” said Kevin Concannon, Under Secretary for Food, Nutrition and Consumer Services.

“Understanding the costs of raising children and planning for anticipated and unexpected life events is an important part of securing financial health. The U.S. Department of the Treasury, among other Federal agencies, has a wealth of information and tools that can help Americans plan for their future. MyMoney.gov can help you make a budget, find assistance with child care costs and save for emergencies or big purchases like a home or college education,”

said Louisa Quittman, Director of the Office of Financial Security for the U.S. Department of the Treasury. “MyMoney.gov can also help you provide money management lessons for your children to help them be more prepared for their financial future.”

The report details spending by married-couple and single-parent households; for married-couple households, spending in various regions of the country are examined. Housing (29%) and food (18%) account for the largest share of child-rearing expenses for middle-income, married-couple families, followed by childcare/education (16%), transportation (15%), and health care (9%). Clothing was the smallest expense, at 6%, and other miscellaneous child-rearing necessities from birth to age 18 accounted for 7%. This report does not include costs related to pregnancy or college costs.

“When CNPP first issued this report in 1960, housing and food were the two highest expenses, just as they are today,” said CNPP Executive Director Angie Tagtow. “But while housing costs have increased over time, changes in American agriculture have resulted in lower food costs, and family food budgets now represent a lower percentage of household income. For families who wish to lower their food costs even more, we offer a variety of resources at ChooseMyPlate.gov/budget.”

Across the country, costs were highest in the urban Northeast, urban West, and urban South; while lowest in the urban Midwest and rural areas. Much of the

regional variation in expenses was related to housing. Differences in child care and education expenses also contributed to regional variation. Overall, child-rearing expenses in rural areas were 27% lower than those in the region with the highest expenses, the urban Northeast.

It is important to note that child-rearing costs vary greatly depending on the number and ages of children in a household. As family size increases, costs per child generally decrease. Report author and CNPP economist Mark Lino, PhD emphasized how significantly costs are impacted by the number of children in a household.

“There are significant economies of scale, with regards to children, sometimes referred to as the ‘cheaper by the dozen effect.’ As families increase in size, children may share a bedroom, clothing and toys can be reused, and food can be purchased in larger, more economical packages.” said Dr. Lino.

As a result, compared to a child in a two-child family, families with one child spend 27% more on the only child and families with three or more children spend 24% less on each child.

CNPP economists used data from the most recent Consumer Expenditure Survey to present the most recent and comprehensive estimates. The full report, Expenditures on Children by Families, 2015, is available on the web at CNPP.usda.gov.



**Notable Quotables**



**Determination gives you the resolve to keep going in spite of the roadblocks that lay before you.**

-Denis Waitley

**I learned that courage was not the absence of fear, but the triumph over it. The brave man is not he who does not feel afraid, but he who conquers that fear.**

-Nelson Mandela

**Concern yourself more with accepting responsibility than with assigning blame. Let the possibilities inspire you more than the obstacles discourage you.**

-Ralph Marston

**Associate yourself with people of good quality, for it is better to be alone than in bad company.**

-Booker T. Washington

**Bad things do happen; how I respond to them defines my character and the quality of my life. I can choose to sit in perpetual sadness, immobilized by the gravity of my loss, or I can choose to rise from the pain and treasure the most precious gift I have- life itself.**

-Walter Anderson

**Happiness is not something you postpone for the future; it is something you design for the present.**

-Jim Rohn



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## Ohio Becomes 1st State to Ban Plywood on Vacant Properties

by Julie Carr Smyth, AP Statehouse Correspondent

COLUMBUS — Boarded-up property will no longer be synonymous with blight in Ohio.

The state became the first in the nation this week to outlaw the use of plywood on properties certified as vacant and abandoned.

The prohibition was tucked into one of 28 bills signed Wednesday by Republican Gov. John Kasich. It takes effect in 90 days.

It's a boon for a practice known as clear boarding, which has been catching on around the country.

Fannie Mae, the federal government-sponsored mortgage association, has been using the clear polycarbonate windows and doors for several years and, in November, declared plywood unacceptable for securing vacant properties. A zoning committee in Chicago debated the issue this spring.

Robert Klein, founder of Cleveland-based clear board maker SecureView, said the Ohio law makes a bold statement against urban decay.

"This is a significant advancement for those engaged in the battle against neighborhood blight in Ohio," Klein said. "Plywood is an outdated solution to a growing modern-day problem."

Plywood has been an industry standard for securing vacated housing for so many decades that the very act of doing so is called "boarding up" the property. It's widely available, easy to use and inexpensive.

However, supporters of using a different material say plywood is susceptible to break-ins and vandalism, obstructs the visibility for first responders and sends a visual signal that depreciates surrounding property values.

Marilyn Thompson, of APA-Engineered Wood Association, said the trade organization representing North American plywood makers views the debate as primarily aesthetic.

"Plywood has very good structural properties, so we wouldn't see any significant difference in terms of security," she said. "In terms of aesthetics, if building owners want to have the option to use that, that's fine. But to ban the use of plywood and to make it mandatory to use the clear boarding really removes options for property owners and puts an additional burden on them by removing lower cost options."

Thompson said a 4-by-8-foot sheet of plywood that's 15/32 inches thick costs \$17 to \$20, while a similar-sized sheet of clear polycarbonate costs about \$115.

In Ohio, the plywood ban comes close on the heels of another new law that sped up foreclosures on vacant and abandoned properties, sometimes called zombie properties because they languish like the living dead. It establishes a fast-track system trimming Ohio's foreclosure process from two years or more to as little as six months.

Rep. Jonathan Dever, the bill's sponsor, said the plywood ban applies only to properties sent through that process, which should now be turned over much more quickly. The Cincinnati Republican said they represent a fraction of Ohio's total annual foreclosures.

"If you drive through a neighborhood and there's boarded-up houses, what does that tell you? Nobody's there," Dever said. "The idea is, if you're going to foreclose on a house, let's not advertise that it's empty. Let's avoid break-ins and vandalism and let's get it sold as soon as possible."

The bill doesn't specify any penalties for breaking the ban.

## \$1 Billion Available From EPA for Water Projects

Jan 11, 2017 – EPA estimates the U.S. needs about \$660 billion in investments for drinking water, wastewater, and stormwater infrastructure over the next 20 years.

The U.S. Environmental Protection Agency is offering about \$1 billion in credit assistance for water infrastructure projects under the new Water Infrastructure Finance and Innovation Act (WIFIA) program.

EPA's WIFIA program will provide long-term, low-cost credit assistance in the form of direct loans and loan guarantees to creditworthy water projects. WIFIA provides another option for financing large infrastructure projects – generally at least \$20 million – in addition to the State Revolving Funds and bond market. WIFIA is available to state, local, and tribal governments; private entities; partnerships; and State Revolving Fund programs. EPA estimates that funds appropriated to the WIFIA program can be leveraged at a ratio greater than 50 to one, which means the \$17 million program budget could allow EPA to make approximately \$1 billion in loans and stimulate about \$2 billion in total infrastructure investment.

"The launch of the Water Infrastructure Finance and Innovation Act program marks a huge step forward for modernizing our nation's aging water infrastructure," said EPA Administrator Gina McCarthy. "WIFIA gives us a new opportunity to provide billions of dollars in low-interest loans to communities to build large infrastructure projects, significantly accelerating investments that benefit our nation's public health and water security for generations to come."

Some of the projects that WIFIA enables EPA to provide assistance for include:

- drinking water treatment and distribution projects
- wastewater conveyance and treatment projects
- enhanced energy efficiency projects at drinking water and wastewater facilities
- desalination, aquifer recharge, alternative water supply, and water recycling projects
- drought prevention, reduction, or mitigation projects

EPA will evaluate projects using criteria such as the extent to which the project is nationally or regionally significant, helps maintain or protect public health or the environment, protects against extreme weather, and serves regions with significant water resource challenges. EPA will make selections on a competitive basis.

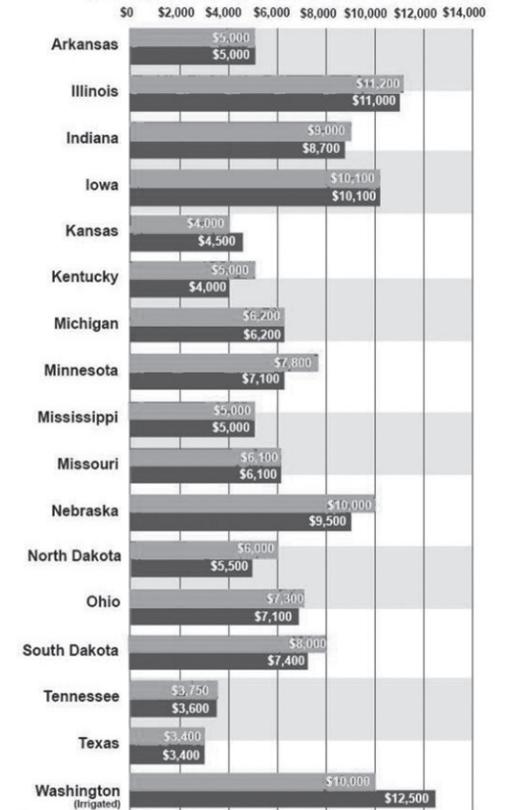
EPA estimates that the U.S. needs about \$660 billion in investments for drinking water, wastewater, and stormwater infrastructure over the next 20 years.

For more information, visit <http://www.epa.gov/wifia>

Source: EPA



## HIGH QUALITY LAND VALUES BY STATE AVERAGE SALE PRICE PER ACRE



Source: Farmers National Company Agent Survey  
Note: Call for Values in Georgia, Idaho, and New York

## Management IQ

by Mike Wilson, Farm Futures Magazine

1. According to the most recent Farm Futures poll, U.S. farmers expect to plant over 90 million acres of soybeans, slightly more than corn. The last time soybean acres surpassed corn was:
  - a. 1967
  - b. 1983
  - c. 2004
  - d. never
2. What are some typical economic indicators that could pave the way for an interest rate hike?
  - a. unemployment closing in on 4.5%
  - b. inflation around 2%
  - c. GDP growth above 2%
  - d. all of the above

3. U.S. corn and soybean yields came in above normal in each of last four years.
  - a. true
  - b. false
4. In a recent national poll by Farm Futures, nearly two-thirds of respondents said the 2014 Farm Bill did not provide an adequate safety net for farmers.
  - a. true
  - b. false
5. In 2005, North Dakota grew 1.4 million acres of corn. How many acres did the state grow in 2016?
  - a. 2.22 million
  - b. 3.15 million
  - c. 3.45 million
  - d. 5.25 million

6. Which is good advice in preparing for planting season?
  - a. stock up the fridge in the machine shed
  - b. get tickets to opening day
  - c. finish reading the books you have from the library
  - d. have a plan, but be flexible
7. The U.S. exports more feed grains than any other country.
  - a. true
  - b. false
8. According to Purdue economist Mike Boehlje, farmers should have at least 20% of gross revenues set aside as working capital.
  - a. true
  - b. false

## Ag Land Values In Limbo in 2017

Interest rates will play a role in setting the stage

Several factors will come into play in 2017 that will determine the direction of land values.

Randy Dickhut, senior vice president of real estate operations for Farmers National Company, said that in the past three years, agricultural landowners in many regions across the country have seen a decline in profits, which also pushed land values lower.

"This winter, questions abound as to the direction of commodity prices, interest rates, inflation, challenges in the world economy, weather and U.S. tax law," Dickhut said. "Buyers of ag land are asking if it is an opportune time to make a purchase of a farm or ranch, while sellers are asking if the market dynamics are indicating that it is good time to sell land.

Depending on location, quality of land and other factors, our agents report seeing regions and local areas where land prices are stable to somewhat strengthening post-2016 harvest. Then there are other areas where land values have continued to decline."

A key factor impacting land prices will be interest rates, Dickhut said. Grain and livestock prices affecting farm and ranch income also will influence land values.

"Foreign trade policy and its effect on agriculture will be closely watched over the next few months. Potential changes in tax laws could affect estate taxation and capital gains rules that in turn influence buying and selling decisions," Dickhut said.

Answers to the quiz  
1. b 2. d 3. a 4. a  
5. c 6. d 7. a 8. b

Answers on the next page.