



In Partnership with Nature

Value Benefits of Your Log Home Over Conventional Framed Homes

Nearly 50 Years and 70,000 Log Homes is the Experience Honka has to offer it's Clients

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Atrium Log Homes, LLC PO Box 536 Evergreen, CO 80437 720.352.7022

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Natural Lifestyles from Cabins to Castles



What do you as a log home buyer really want in your home?

- A quality home
- That meets your needs
- That meets your budget
- That increases in value
- That provides monetary security
- And a lifestyle that fulfills your dreams.



A shift in demographics, lifestyle, demand, and a change in perception has all meant one thing when it comes to log homes: Higher Value.

The popularity of log homes has increased dramatically over the past 20 years. What was once a short term seasonal dwelling, built only to be used sparingly, is now a quality permanent dream home for an ever growing number of home buyers. 20 years ago the average size of a log home was 1, 500 square feet. This Abe Lincoln type cabin stereotyping has been brushed aside by the current standard of building primary residences out of log. Currently, the average size log home has 2,400 square feet of which 85% are built as primary residences. Today, log home living isn't just about housing, it's about a natural "lifestyle" that provides the escape from a long day battling the outside world.

With the shift from seasonal dwellings to permanent, dream

home residences, log homes have increased in size, value, and quality. No longer are log structures considered cabins, but rather luxury primary residences. While you can still get a log cabin, luxury has merged into log home designs. As the perception of log homes has changed, so has the demand. This high demand has had a profound effect on the value of log homes. According to Lynn Gastineau, president of the Log Homes Council, "As log homes have become mainstream houses, they have also become easier to mortgage, insure and sell."

This increase in value for

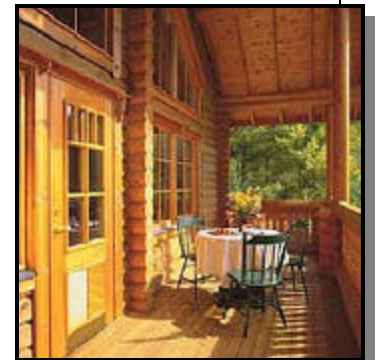
"It's not uncommon to find log homes appraised \$50 per square foot higher than quality stick framed homes."

log homes is often recognized the day a log home is completed. While costing slightly more to construct, the value increase of a log home typically far outweighs this added cost. This not only creates increased equity in a home but also makes it far easier to sell if and when that time comes.



High Demand—Drives Value

- The demand for log homes is greater than supply
- Log homes accounted for more than 6 percent of the custom homes built in the U.S. in 1992.
- Over 25,000 log homes were built in the US in each of the last two years, up from 7,000 in the mid 1980's.
- Today, approximately 1 million people subscribe to log home magazines and journals.
- A couple hundred thousand people will attend log home shows and seminars this year.
- In one market in Colorado, 80% of the buyers who inquired at one realtors office wanted log homes.
- Millions of baby boomers will enter retirement over the next 10 years and will be in the market for a retirement home and/or second home.



Honka Appraisals Reflect Market Trends

Honka's Log Homes show higher appraised values than Stick Framed Homes

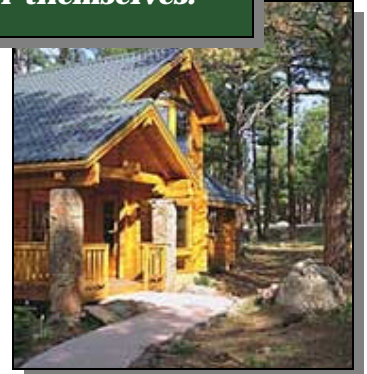
A recent study of a 2,810 square foot Honka log home being built in Evergreen, Colorado carried out by a certified appraiser revealed the following:



- Assuming the home was a conventionally stick framed structure, the home would be appraised at \$405,000 or \$146 per square foot.
- The same plan built with Honka Log Home components on that same site was appraised at \$540,000 or \$192 per square foot.
- Log Homes Value 33% greater than stick framed homes.

— **Certified Appraiser:**
Jeff Mosgrave Evergreen, CO

“A small increase in costs yields a large increase in value. The numbers speak for themselves.”



An Alternative Investment Financial Security

From an investment standpoint, people are looking for alternatives to the stock market, and the real estate option seems to be the top choice.

U.S. real estate sale prices increased more than 56% from the beginning of 1999 to the end of 2004, as tracked by the Office of Federal Housing Enterprise Oversight, part of the U.S. Department of Housing and Urban Development. The S&P 500 index dipped nearly 6% during that same period.



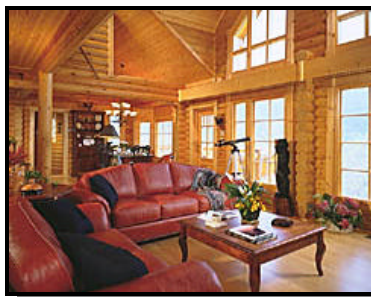
The combination of these trends with the increase in value and demand for log homes, a quality Honka Log Home can help provide you the financial security you need for the long run. Apart from the monetary value, there's a value in a home you don't get from stocks: you can actually use it.



The Value of Energy Efficiency Continuously Save on Your Home Energy Bill

Despite the high popularity and resale value of your log home, it is important to recognize its value to you while you live in it. This value is best recognized when evaluating the benefits of the energy efficiency gained in quality log home construction.

“Log Homes can be expected to perform from 2.5% to over 15% more energy efficiently compared to an identical wood-



frame home, considering annual purchased heating and cooling energy needs.”
—Technical Committee of the Log Homes Council, NAHB.

In real terms this means an owner of a log home can expect to expend \$150-\$400 less per year on their heating and cooling-related utility bills, while maintaining equal or superior comfort under real-world weather conditions.