

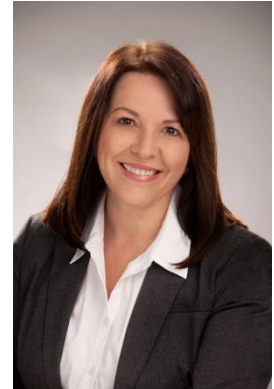
Impact of the New Tax Code on Real Estate

Everybody's talking about the NEW TAX CODE and the impact it will have on the real estate market and on each family's income tax obligation. Be aware when you hear people talking that they may be confusing *what was proposed* with *what actually passed*. I will summarize for you the part of the new tax code that applies to residential real estate, but of course I am not an accountant or a lawyer, so you should still get tax advice from a professional who can explain how the *entire* tax code will affect *your personal* return. Keep in mind, also, that future revisions may affect current legislation.

The three main things you need to remember are:

1. The minimum number of years you must live in a property to avoid taxation of the gain in equity (\$250,000 for single person / \$500,000 for married couple) is still 2 out of the past 5 years. This did not change.
2. Mortgage interest deduction is gone only on loans above \$750,000 taken after Dec 14, 2017. Older loans are grandfathered in.
3. Deductions of state and local taxes are now limited to \$10,000.

Experts expect that the only Americans who will be adversely affected by these changes will be those who borrow more than \$750,000 and those who live in states such as Hawaii, California, and New York who have extremely high property taxes. We may see more of these people migrating to other states. Overall, the new tax code is not expected to negatively impact the residential real estate market.



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"Write it on your heart
that every day is the best
day in the year."

—Ralph Waldo Emerson

What Can We Expect in Residential Real Estate in 2018

Sales of new and existing homes, and applications to build new single family homes, are at the highest level they have been in over a decade. Appreciation is expected to continue as buyer demand is still outpacing supply. Currently, 95% of all homes in this country have positive equity, indicating that the market has recovered from the terrible losses of 2008.

The average family's net worth increased more than \$38,000 due to market appreciation; that's pretty cool! States expected to see the largest gains in appreciation in 2018 (<6%) are Florida, California, Nevada, Vermont, and Connecticut. Utah is expected to experience a 4-5% gain.

What about interest rates? According to the latest predictions (averaged predictions given by Freddie Mac, Fannie Mae, Mortgage Bankers Association, and National Association of Realtors), interest rates will be at 4.13% in 1Q, 4.28% in 2Q, 4.38% in 3Q, and 4.53% in 4Q. The change by the end of the year is expected to be an increase of a half a percent. Despite this, the total number of homes sold is expected to exceed that of last year!

The Daily Herald reports that the Provo-Orem metro area — which includes much of Utah County — came in second on Forbes' 2018 list of the best places to invest in housing. Only Orlando, Florida, came in ahead of Provo-Orem. The only other Utah area to make the list was Ogden-Clearfield. The study analyzed markets on five measures: one-year job growth, three-year population growth, one-year home price growth, affordability and local market. The cumulative effect over the next five years is 23.5% appreciation of your home! And that's taking the average of the bulls' and bears' predictions.

We are in for a great 2018! Please let me know how I can assist you.



History Trivia

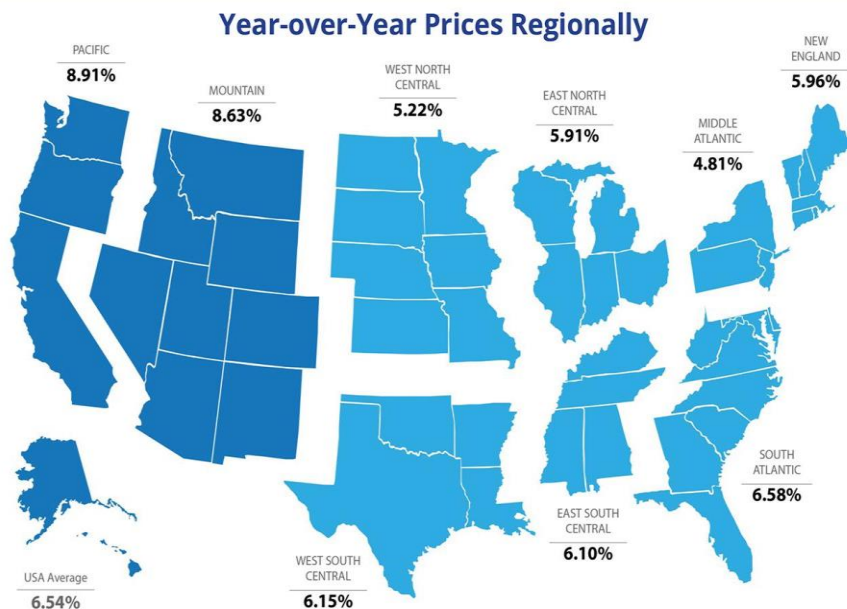
(see answers below)

1. **Name the second President of the United States of America.**
 - A. Thomas Jefferson
 - B. George Washington
 - C. John Adams
 - D. James Madison
2. **What was the first capital city of the United States?**
 - A. Philadelphia
 - B. New York
 - C. Boston
 - D. Chicago
3. **How many people make up the U.S. Electoral College?**
 - A. 16
 - B. 538
 - C. 100
 - D. 300
4. **How many people have walked on the moon?**
 - A. 13
 - B. 11
 - C. 10
 - D. 12

Home Prices Up 6.54% Across The Country!

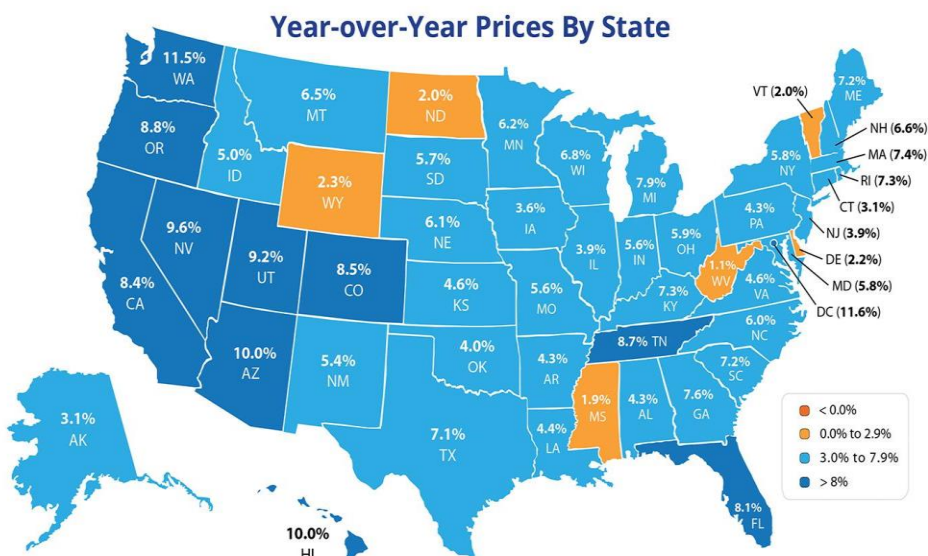


The Federal Housing Finance Agency (FHFA) recently released their latest *Quarterly Home Price Index*, in which they compare home prices regionally and by state.



Looking at the breakdown by state, you can see that each state is appreciating at a different rate. This is important to know if you are planning on relocating to a different area of the country.

Waiting to move may end up costing you more!



Source: FHFA Q3 HPI - 11/28/2017

Garlic French Fries



Ingredients

- 1 bag frozen french fries
- 6 cloves of garlic , very finely minced
- 1 teaspoon Kosher salt
- 2 tablespoons canola oil
- chopped parsley for garnish

Directions

1. Cook the fries according to the directions.
2. When the fries come out of the oven, put them in a large bowl.
3. A minute or so before serving the fries, put the garlic in a small fry pan with the oil.
4. Heat on medium and cook for 15-30 seconds, not long enough to brown the garlic, just long enough to mute the raw garlic flavor.
5. Toss the fries with the garlic oil mixture and salt.
6. Serve hot and garnish with parsley if desired

Make 2018 the Year of Helping Veterans



According to the most recent U.S. Census, there are 18.8 million veterans in the U.S. Today, more than 9 million are seeking treatment at their local U.S. Department of Veteran Affairs medical center, and more than 39,000 veterans are homeless on any given night, according to the U.S. Department of Housing and Urban Development. Now more than ever, consider lending a hand to those who have selflessly defended our freedom and need our help.

Reach out to a veteran's service organization to learn more.

Knowing where to begin can seem daunting, but you don't have to figure it out alone. The American Legion Auxiliary (ALA), The American Legion and Sons of The American Legion are three organizations actively involved in veteran causes with local units across the U.S. They offer community through memberships, organize and hold volunteer events throughout the year and accept monetary donations. As a first step, visit the websites of each organization and look for a unit close to you. Meeting with these organizations or others can kick-start your efforts to get involved with the veteran community.

Tie your passion to your action.

We all have passions that bring us joy. There are many ways that suit your interests to give back while helping veterans in need. For example, do you like to spend time outdoors? A large number of organizations host volunteer

Answers to Trivia Questions:

1. C.
2. A.
3. B.
4. D.

activities like cleaning a veteran's memorial in the community. Are you more of a people person? Give your time to a local veteran's facility to connect with a resident in need of company.

Donate a day of service.

Everyday life can get messy with full-time jobs and commitments. One way to identify free time for charitable activities is to use a day off engaging in community service. "Donate" your Memorial Day to help the ALA distribute handmade poppies that support veterans in local hospitals, visit a veteran's facility or deliver a meal or care package.

To learn more about how to take the first step, visit www.ALAforVeterans.org.

Real Estate Tools You Can Use

SearchForUtahRealEstate.com – Free, No-obligation, Advanced Utah Real Estate Search Website Available for Your Use

Great new features have been added to my website. Obtain demographic details and statistics regarding amenities, cost of living, crime, education, employment, housing, and weather. Compare the overall livability scores for cities of interest. Obtain detailed school information such as ratings and test scores for cities of interest.

Use my free, no-obligation, top-of-the-line real estate website to facilitate your search of the current Utah real estate market. With my searchforutahrealestate.com website, you'll enjoy the following features:

- Extremely fast search results
- Dozens of Home Facts, Multiple Photos & Home Tours
- View detailed area demographic information
- View detailed area school information
- Interactive Google Map Search with Satellite Images - search by city, map, neighborhood, address
- Access all current Utah home and land listings
- Receive automatic email notifications for new listings and price changes
- Save searches, save properties, add homes to your "saved" list
- Responsive – desktop, tablet and mobile