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Smart homeowners and first-time homebuyers read this paper!

Recently Inherited a Home That You Don't Need?

Has a loved one or family member recently passed on and left you with their home? Inheriting a house can be a delightful gift, but it can also present a significant number of challenges that you must navigate. Let's explore how to deal with an inherited house and, should you decide to, how to sell it without incurring too much stress.

Are Emotions Involved?
The death of a family member or other loved one can be a trying time emotionally. Depending on how the deceased left the property, you may also have to deal with cleaning out personal belongings and reviving old memories. A battle over a will or the proceeds of an estate can compound the situation, making things worse.

If you are emotionally involved, it is best to work with a real estate agent who can do much of the heavy lifting. That way you can focus on supporting your family and keeping your stress levels down.

Understand Your Legal Obligations
Although real estate inheritance is common, there are still some legal issues that must be considered. As such, you will need to understand what your legal obligations are in the will or estate process. Are you the executor of the will, or is someone else? Is the property included in a trust, or is it free-standing and gifted directly to you? Has the probate period passed, or can a family member or relative still challenge the will? If you haven't already, it is best to speak with a real estate professional or experienced lawyer to get their advice.

Consider the Tax Implications
As with any financial windfall, there are going to be tax implications that need to be considered when selling an inherited home. For example, it's unlikely that you will qualify for the home sales tax exclusion unless you have been living in that house as your primary residence. Once you sell the home, you will also need to report the proceeds of the sale to the IRS. There are also a variety of different taxes that need to be factored in, such as estate taxes, inheritance taxes and more.

Consult an Experienced Real Estate Agent
Selling a home that you have inherited in a Will or as part of an estate, can be an emotionally-draining process. Before you make any moves, it is best to speak with a real estate professional who has experience dealing with inherited homes. Contact our office at your convenience and we will be happy to meet with you and share our guidance. Schedule an appointment today. Call 888-670-6791. ■

Ten Tax Tips for Individuals Selling a Home this Year

In most cases, gains from sales are taxable. But did you know that if you sell your home, you may not have to pay taxes? Here are ten facts to keep in mind if you sell your home this year:

1. Exclusion of Gain. You may be able to exclude part or all of the gain from the sale of your home. This rule may apply if you meet the eligibility test. Parts of the test involve your ownership and use of the home. You must have owned and used it as your main home for at least two out of the five years before the date of sale.

2. Exceptions May Apply. There are exceptions to the ownership, use, and other rules. One exception applies to persons with a disability. Another applies to certain members of the military. That rule includes certain government and Peace Corps workers. For more information about these exceptions, please call our office at 888-670-6791.

3. Exclusion Limit. The most gain you can exclude from taxes is $250,000. This limit is $500,000 for joint returns. The Net Investment Income Tax will not apply to the excluded gain.

4. You May Not Need to Report the Sale. If the gain is not taxable, you may not need to report the sale to the IRS on your tax return.

5. When You Must Report the Sale. You must report the sale on your tax return if you can't exclude all or part of the gain. You must report the sale if you choose not to claim the exclusion. That's also true if you get Form 1099-S, Proceeds from Real Estate Transactions. If you report the sale, you may need to pay the Net Investment Income Tax. Please call our office at 888-670-6791 for assistance on this topic.

6. Exclusion Frequency Limit. Generally, you may exclude the gain from the sale of your main home only once every two years. Some exceptions may apply to this rule.

7. Only a Main Home Qualifies. If you own more than one home, you may only exclude the gain on the sale of your main home. Your main home usually is the home that you live in

continued on page 3

INSIDE:

Real Estate Remains a Strong Wealth Management Investment

A young long-haul trucker driver once took an elder's advice and invested all of his money into real estate. Even though he was seldom at home to enjoy the fruits of his labor, he hired a property management company to handle the properties. The advice that stuck with the driver was simple: "They're not making any more of it, land that is."

In terms of growing personal wealth, the real estate market may fluctuate, interest rates change, and the GDP can bounce like a ball. But, land is permanent. That may seem like a simplistic view of wealth management. Maybe it is. But that trucker retired early with multiple investment properties and is now a reasonably wealthy man.

His portrait in wealth management success highlights the notion that real estate remains a strong financial driver. The next logical question is whether or not now is the time to build a powerful real estate portfolio.

Current Market Conditions

Real estate investment does not necessarily follow the popular stock market thinking about buying low and selling high. In fact, investors such as the trucker had no plans to sell at all. That being said, the current real estate trends are widely considered a "seller's market." Are they really?

With millennials and soon Generation Z buying up homes, inventory remains lower than demand. That naturally has resulted in an uptick in listing prices. Couple the supply and demand issue with Federal raising rates and one might think this is a bad time to buy. Nothing could be further from the truth.

Buying rental properties are long-term investments. Buyers would be wise to do the math on how much the monthly mortgage, insurance, taxes and overhead, measure against the potential revenue. Some property owners do their math based on 10 months rather than 12 to account for unexpected expenses. If the math works, it could be a valuable asset.

Real Estate Less Risky than Stocks

Return on investment in real estate has the potential to far outpace stock buys. Consider that when you purchase a stock, things outside your control impact value and dividends. Think for a moment about how Elon Musk turned Tesla stocks into a roller coaster ride due to a few odd tweets and media interviews.

Owning property insulates investors from many external forces. Over time, rental revenue pays down the note. This allows owners the ability to siphon off money or leverage equity for additional real estate buys. With measured determination, your wealth management portfolio could include multiple properties that are paid off at retirement age. It worked for a truck driver who took some simple advice from an elder.

There's little doubt that real estate remains a strong asset for increasing personal wealth. If you are considering a purchase, speak with a real estate professional.

We are happy to help and share our insight and experience to help you with the real estate investing process. Schedule an appointment today. Call 888-670-6791. ■

Fight Slum Landlords with a Tenants' Association

BY CHEREEN JAMES

Slum landlords hinder tenants' rights to the quiet enjoyment of their premises. How? With no proper maintenance to the dwelling, slum landlords collect tenants' hard-earned dollars in exchange for unlivable conditions. So, what can you do? You can associate! Landlord-tenant law provides for Tenants' Associations to bring lawsuits known as Article 7A proceedings. Tenants can also consult with a landlord-tenant attorney to further understand the process and to know their rights.

The best way to bring the slum-like conditions to the attention of your landlord is by forming a Tenants' Association. Why it works? The landlord feels the pressure when a large portion of his rental income threatens action. With an association, tenants can demand repairs and may be entitled to an abatement or a decrease in rent, when there is a decrease in services. Not only can a Tenants' Association demand repairs and maintenance, they can prevent harassment and illegal evictions and encourage cooperation among the occupants of a building.

If a lawsuit is brought, tenants can ask the court to appoint an administrator to manage the property in place of the owner. According to the New York City Housing Court, at least one-third of the tenants of a building can bring an Article 7A proceeding when for at least 5 days, dangerous conditions exist, such as rodent infestation and the lack of heat or hot water.

Although it is not mandatory, it is necessary to elect a governing body and to create and abide by the by-laws for the Tenants' Association. This way, a select few can meet with a landlord-tenant attorney, appear at Court hearings, and sign on behalf of the Tenants' Association.

Tenants' Associations, with the help of a landlord-tenant attorney can take advantage of the Tenant Interim Lease program (TIL), which offers low-income Tenants, Associations the opportunity to purchase their apartments as cooperatives. According to NYC HPD, through this program, tenants living in City-owned buildings can purchase their apartments for an affordable price. Tenants will have to abide by the laws of forming a cooperative, by the requirements of the program, and they will have to be organized for the program to work well.

Tenants' Associations can also be involved in Article 78 proceedings. When appealing an administrative decision, such as removal from the TIL program, Tenant Associations, with the help of a landlord-tenant Attorney can seek a favorable outcome.

For tenants in city-owned buildings, funding is available for Tenant Associations through the New York City Housing Authority (NYCHA) Tenant Participation Activity program. According to NYCHA, funding is geared toward the benefit of NYCHA residents, for activities like skills training, Family Days, and to get office supplies for the Tenants' Association.

Funding for the Tenants Association can come from member dues, individual donors, fundraisers or non-profit organizations. Consult a landlord-tenant attorney for more information about forming a Tenants' Association or whether you need further advice for the benefit of your community. .

We are happy to help you start the process of setting up a Tenants' Association. Schedule an appointment today by calling 855-768-8845. ■

Tax Tips

continued from page 1

most of the time.

8. First-time Homebuyer Credit. If you claimed the first-time homebuyer credit when you bought the home, special rules apply to the sale. For more on those rules, please call our office at 888-670-6791.

9. Home Sold at a Loss. If you sell your main home at a loss, you can't deduct the loss on your tax return.

10. Report Your Address Change. After you sell your home and move, update your address with the IRS. To do this, file Form 8822, Change of Address. You can find the address to send it to in the form's instructions on page two. If you purchase health insurance through the Health Insurance Marketplace, you should also notify the Marketplace when you move out of the area covered by your current Marketplace plan.

Questions? Help is just a phone call away. Call us at 888-670-6791. ■

Mistakes Seasoned Home Buyers Often Make

It's not uncommon today to move several times during adulthood, whether across town or across the country. Seasoned home buyers have been through the real estate process, often more than once. However, even if the home purchase has become routine, there are mistakes that can be avoided.

Stuck in the Past

The real estate market doesn't stand still. It cycles and shifts, which is why it's often recommended to rely on a real estate professional for an understanding of the current market. It is unlikely that home buyers with property purchased ten years ago, will have the same experience buying today. Don't get stuck in the past, thinking the process will play out the same. It may, but it's important to be ready for changes.

Skipping Homework

Whether upgrading to a larger home to accommodate a growing family or downsizing as the nest empties, it's essential to do your homework before placing the current home on the market and committing to a new one. Certain homework needs to be done before beginning the buying process, especially if the purchase is reliant on the sale of the current home.

•Determine if you're buying with cash or need to sell your current home.

•If need to sell your current home first, will the seller of new home offer contingency?

•Is a flexible timeline needed for closing on your current home or are you buying new?

Working out these types of critical details, even for seasoned home buyers, can be daunting, which is why it can be helpful to have a trusted real estate agent.

Allowing Emotions to Lead

Maybe the current house wasn't the "forever" home. Seasoned home buyers, just like first-timers, can find themselves lost in emotions when searching for the perfect house. It's a pitfall every home buyer should work to avoid. The home may have some of the exact features desired or be in the ideal location, but if it doesn't fit the budget or has other issues, it's not the right one.

Overextending Resources

Home buying is an exciting experience and it can be easy to become caught up in the process. However, overextending resources can make life after the purchase difficult. To help protect against overextension of resources later, always factor in the following when buying a home:budget, time and DIY abilities.

Overextending on budget can directly affect the ability to make any needed repairs and if schedules are hectic, there might not be enough time for projects. In addition, it's important to honestly take stock of DIY ability, and it's okay to acknowledge that some jobs/repairs will require professionals or some level of assistance.

The key for seasoned home buyers, as well as first-timers, is to never be afraid to ask questions, make lists, and rely on professional help from a real estate agent.

If you're currently in the process of looking for a new home, you may want to contact one of our experienced real estate professionals for more information. Schedule an appointment today. Call 888-670-6791. ■