

October 2012

Home prices here are starting to rise! Most listings now receive multiple offers! It is wonderful to see the market start to come back.

New residential construction is being built. Del Webb is offering homes in their age restricted community at Stallion Mountain starting at \$136,990. Lennar has some great floor plans in various locations in the valley designed for grandparents moving in and college kids moving back in starting in the low 300's. Our extremely popular "Providence" community in the north has new homes starting from the mid-100's to the low 200's with as many as six bedrooms.

Commercial projects that were put on-hold a few years ago have been re-started including a fantastic new shopping center going up near the Red Rock Casino.

There are still great buys on distressed properties in all price ranges and areas. Remember, "Las Vegas is like no other city!" If you're sitting on the fence thinking of buying another property, don't wait anymore!

You may know someone who is thinking of selling their home or their rental property and they're not sure what to do. There are some misunderstandings in the general public regarding the Mortgage Debt Relief Act of 2007.

The IRS explains this as follows: "If you owe a debt to someone else and they cancel or forgive that debt, the canceled amount may be taxable." The Mortgage Debt Relief Act of 2007 generally allows taxpayers to exclude income from the discharge of debt on their principal residence. This bill (which many expect to see extended by congress) is currently set to expire at the end of this year and applies only to your primary residence. (The IRS defines a principal residence as one that you occupied for 2 out of the last 5 years.) Debt reduced through mortgage restructuring, as well as mortgage debt forgiven in connection with a foreclosure, qualifies for the relief. This provision applies to debt forgiven in calendar years 2007 through 2012. Up to \$2 million of forgiven debt is eligible for this exclusion (\$1 million if married filing separately). The exclusion does not apply if the discharge is due to services performed for the lender or any other reason not directly related to a decline in the home's value or the taxpayer's financial condition. More information, including detailed examples can be found in Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments. Also see IRS news release IR-2008-17.

If you do choose to use an attorney to assist you in a short sale on a property we manage, please let them know that we are your agent. They will have no objection and let me know so I can talk with them. It is possible the tenant may want to buy the home as well, which can work out well for everybody. I work with a few of the top short sale attorneys in town and if you would like a referral, please let me know.

It is strongly recommended that you speak to both your attorney and your CPA before deciding to proceed with a short sale to determine whether it is right for you.

Your Team,
Bonnie, Laura, Venessa, Lori, Diane, and accounting.

PS: Thanks for the great feedback on the last newsletters & if you have any topics you'd like more info on, just send an e-mail to Bonnie@AvalonOaktree.com