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## Realty Update

### A Quirky Collection of News and Information

March 1 2002

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**in this issue:**

- Items of Interest
- A Few of the Latest Listings

If someone you know is buying or selling a home, please think of me.

### Items of Interest

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**HOUSING STARTS ARE UP:** The U.S. Commerce Department reports that builders began construction on new homes at an annual rate of 1.85 million units in January. The 0.2% increase since December brings housing starts to an unexpected 16-year high.

**FLOWERS THAT BLOOM IN A DROUGHT TRA-LA:** Despite recent snow and rain, summer could seriously parch your garden again. Consider drought-resistant plants, e.g. ornamental spurge such as Chameleon; tall larkspur; Mediterranean lavender, thyme or dianthus; or the Mayfield tickseed.

**TAX BITS:** If there is a choice of receiving real estate by gift or inheritance, you can save a bundle in taxes if you *inherit* property. The cost basis will almost invariably be higher, and thus likely to be taxed less, in the case of inheritance. The *gift* recipient's cost basis is going to be the donor's original purchase price, plus any capital improvements. At the date of death, the beneficiary's cost basis will be market value and, therefore, presumably much higher.

**POINTS TO PONDER:** With mortgage rates at an impressively low point (down to 5.79% for 30-year fixed and 3.83 for one-year Treasury-indexed adjustables, according to Freddie Mac), borrowers are increasingly opting to roll their origination fees and points into their financing package. In 1990, borrowers paid an average of 2.1 points, compared with 0.6 points last year, Freddie Mac says. Low rates create little incentive to seek a lower rate by paying points up front.

**WILL REMODELING YOUR KITCHEN PAY OFF?** You will recoup 66% of the cost of a \$40,000 renovation in the D.C. area, but 85% of a \$67,000 job, according to Realtor magazine. That is a lot of bread.

**MARKET UPDATE:** It's your guess why one recent D.C. listing fetched 11 offers way over the half-million-dollar price but ended up back on the market. The winning buyer backed out the next day, and the next 10 in line declined to jump in. It was one of several

multiple offers **R.U.** has heard about in the last 10 days, and perhaps the meaning is that the market remains strong--but nervous.

Fee Simple WASHINGTON 3 2 1930 DC4441986  
\$595,000

Absolutely beautiful, COMPLETELY RENOVATED & ready for its new owner to just move in. Gourmet KTCHN w/NEW appliances, sundrenched Brkfst rm, fully finished bsmnt, remodeled bthrms, wonderful landscaping and GARAGE PARKIN. 3/1 SAT OPEN HOUSE 1-4PM, 3/2 SUN OPEN 1-4. \*\*\*CONTRACTS DUE WED 3/5/03\*\*\*