



From the desk of
William C. Ring, President

Real Estate Newsletter

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Favorite Quotes...

A banker is a fellow
who lends you his
umbrella when the sun
is shining and wants it
back the minute it
begins to rain.

Mark Twain

Owning a Vacation Rental...

A friend told me an interesting story about an old college buddy and his wife who bought a vacation rental in Cambria, CA. They were skeptical at first, but took the plunge and seem to have had a successful experience. Some of the obvious benefits of such an investment include the annual income, usually ranging from \$15-40K in this case, as well as, personal use of a second home in a "destination location". Some of the other less obvious benefits he went into include the tax benefits. Everything purchased for this second home becomes a tax deduction which can either be entirely expensed in the first year or depreciated over the course of a few years. Plus, something a lot of people don't consider, is that instead of paying hotel or rental costs, you can save that money because you are obviously not paying to use your own place. And not only are you not spending money paying rent, all your trips to your second home actually become "business trips". This means that your mileage and meal expense become tax write-offs. Finally, all utility expenses move from being out-of-pocket costs to becoming tax write-offs. In effect, the government pays for 40% of all of these costs, depending on your marginal tax rate. As with any investment, I highly recommend that you consult your accountant before investing in a vacation rental. Through my extensive on-line data bank of listings, I can show you many similar investment opportunities.

Stage It...

I recently learned of a seller's agent who was concerned about a prospective buyer's need for a large living room. Our seller's living room was pretty small but, not to worry. With the re-arrangement of some furniture and some de-cluttering, the living room became a centerpiece and the prospect bought. In the current "buyer's market", we all look for innovative ways to assure a top-dollar price and a short time on the market. Staging, or making your home show like a model, has become a proven method of achieving the desired results. The basic idea of staging is to present the home or condo in such a way that most buyers can actually see, rather than try to imagine, how attractive a home can be. We are not talking about renovation though. Instead, de-cluttering, cleaning, minor repairs and often renting certain furnishings will do the trick. Buyers often seem to have trouble imagining a home's possibilities, but stagers solve the problem by showing them the residence at its best. In today's very competitive home-sale market, staging can determine which homes sell first and for top dollar. The cost of a typical home staging can be 1-3% of its market value. But whether you do it yourself or hire a pro, it is probably worth it. Call me and let's take action.

Please contact me anytime regarding your real estate needs or questions. And, thank you for your referrals.

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