

The Hale Hotsheet!

Real Estate News and More from Maryland's Eastern Shore

Whew – it's hot around here!

I am writing this following the early summer heat wave that left all of us a bit out of breath! 100° plus on the Strand in June – you've got to be kidding me! The only thing worth going outside for was ice cream at the Scottish Highland Creamery, and even Victor and Susan looked as if they might melt! Luckily, the heat was short-lived, and we are all back to our nightly porch sits where an overhead fan and a cold beverage is all you need to be comfortable.

Interestingly enough, along with the summer weather the real estate market on the mid-shore has also heated up. On the buy side favorable financing continues (including an increase in jumbo loan limits as part of the 2008 Stimulus package), and sellers and their agents are pricing properties more aggressively. This follows a nationwide trend – the National Association of Realtors reported that the index of pending home sales rose 6.3% in the month of April. Certainly we have seen an increase in traffic in our offices, and feel strongly that the second half of 2008 will be positive on the real estate front. Several of the properties listed in the last *Hale Hotsheet* have sold or are under contract; to see some of our current listings, turn the page or go to www.lacazemeredit.com and click on "Our Listings". If you see one you like, let me know – by the next issue it could be long gone!

Making a Difference...

If your mailbox is like mine, every day brings new requests for donations to non-profits. All are worthy, but, like most people we have to pick and choose which ones we can afford to support. However, I recently discovered an organization that lets me help others, but doesn't in the long run cost me a thing. **Kiva** (www.kiva.org) is a non-profit that operates more like a Venture Capital firm. Rather than tax-deductible donations, users pledge interest-free loans to developing-world entrepreneurs. 100% of the donation goes to the borrower, and Kiva provides risk assessment upfront and a steady stream of post-investment information. Once the "borrower" has repaid the loan, the "lenders" can withdraw their money or invest in another venture. As of March, Kiva had loaned \$22 million dollars across 40 countries with only a .14% default rate. And here's the really cool twist: donations start at only \$25. So this a great way to get children involved to recognize both the importance of philanthropy and entrepreneurship. Check it out – the stories will fascinate you and for \$25 you really can make a difference in someone's life.

Capital Gains Info...

Kudos to Mr. Franklin – there really are two things in life that are certain – death and taxes. However, what Ben didn't take into account was that the tax code can change, and every now an then it changes to your advantage. Case in point:

When you sell your home, you are entitled to a \$250,000 capital gains exclusion. And, if you are married, you and your spouse can exclude \$500,000 in capital gains provided you have lived in the house for two of the last five years. For example, let's say you and your better half bought your house in 2001 for \$300,000. You made some renovations (love the new kitchen!) that cost \$50,000. Now you want to move into that house you have always loved just down the creek, and you sell your house for \$950,000. Your cost basis is \$350,000, you exclude \$500,000, and you only (!) pay capital gains taxes on \$100,000. At current rates, that tax bill to the Feds will be \$15,000 – not bad. (State taxes may also apply – in Maryland that's 7.75%).

But let's say instead your spouse passes away and then you sell your home. Unfortunately, you are back to being a single filer and only get a \$250,000 exclusion. In the example noted above, that would mean paying capital gains taxes on \$350,000, or putting \$52,500 in Uncle Sam's pocket. However, Beginning January 1, 2008, if your spouse passes and you sell your home within two years from the date of death, you can still claim the full \$500,000 exclusion. And with both of the major party candidates running for office projecting an increase in capital gains taxes, this rule may carry even added significance moving forward into 2009 and beyond.

Now, the decision to sell your home, especially after a tragic loss, should not be made lightly and should not be rushed solely to save some tax dollars. However, if this situation presents itself, be aware of the dates involved, and make sure your tax preparer knows the new rules.



Henry S. Hale, Realtor®

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Residential & Commercial Listings Summer 2008

If you have been working for the weekend, then this the spot to relax come Friday evening. Two stories, two bedrooms, one full and one half bath. Kitchen and family room combo that features a brick fireplace. House remodeled in 2004. One block from the Strand Beach in the heart of the Oxford historic district. This bungalow is a great entrée into the Oxford Community or a great long-term rental opportunity! \$299,000!

Looking for elegance, convenience, and a central location for all your mid-shore activities? Look no further than this Easton Club townhouse with two master bedrooms – one on each floor! Three bedrooms total, three full baths, wood floors, country kitchen with all the requisite gadgets, and nine foot high ceilings – talk about a spacious feeling! And check out the 18 hole Championship golf course just outside your door, and the fine dining and lively bar atmosphere at the Waterview Grille and Clubhouse. Great price - \$385,000!

Ah – the cottage life in Oxford. What could be nicer? Less than a block from the Strand (*the* place for an evening sunset stroll) and on a large, landscaped lot, this three bedroom, two-story has been recently renovated. Lovely large front porch, and beautiful plantings, and in the Historic District. A great buy at \$449,500.

How to Own a Restaurant in Three Easy Steps: 1) Come to Oxford. 2) Find 101 Mill Street. 3) Buy land, building, furniture, fixtures, and all restaurant equipment for only \$389,000 – just reduced from \$450,000! Oh, step 4, open the door, welcome your guests, and toast yourself for having made a dream come true!

In Oxford we don't have Main Street, we have Morris Street. And this house has been part of the Morris Streetscape since 1900. Three bedrooms, 1½ baths, separate dining room, two enclosed porches, large, fenced yard with mature landscaping and garden shed. Unfinished attic space offers room to expand; Morris Street address offers a great spot to watch the infamous Oxford Day parade! \$549,500.

How fun! The Minister's house is now under renovation and you can purchase it unfinished, partly finished, or completely done. Built in 1920, this house is centrally located and will be a showpiece when done. How done is up to you. Call for more info – price subject to condition and progress of renovation...

Off the Choptank is Island Creek, one of the most beautiful and sought after creeks on the mid-shore. And Lacaze Meredith is extremely proud to be able to offer this exquisite home on Island Creek with amazing views. If you can tear yourself away from the stunning entry hall, the large family kitchen, the sunken living room with big stone fireplace, and the rambling first floor master suite, you'll tour four other bedrooms, a large guest house, in-ground pool, gazebo and pool house, hot tub, and a pier with boat and jet ski lift. How could there be more? Well there is! Call for details and photos – an exceptional property for \$3,495,000.

And these are just a very few of the properties I have available to show you! Please log on to my web site, www.Haleproperty.com for more information, or contact me at Henry_Hale@msn.com for a personalized listing report. Because really...

... *Why would you want to live anywhere else?*



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