



West USA Realty
2920 N Litchfield Rd, Suite 100
Goodyear, AZ 85395

PRSRT STD
ECRWSS
U.S. POSTAGE
PAID
EDDM RETAIL

Hello.

Interesting And Helpful
Real Estate Info
Just For You

Local Postal Customer

Over 1400 Homes Sold in Avondale and Litchfield Park!

recentlistings



Just Listed

1043 E. Segovia Dr.

A beautiful 3 BR, 2 BA 1697 S.F.
and completely remodeled with
lots of upgrades in Old Litchfield Park.

Listed by Al Gage for \$325,000

Your home should be HERE!

With a distribution of
over 10,000 copies per month
and the number 1 salesperson
in your neighborhood
for four years in a row,
the marketing system
is proven to work.
If you want to sell your home
call or email us
so we can place it in
next months newsletter!



Coming Soon

12817 W. Clarendon St.

A 2011 model 3BR, 2 BA with a den
in Sage Creek with many upgrades
in perfect condition.

Listed by Al Gage for \$2—0.000

See inside for this month's **featuredlistings**

Al Gage Report

January 2018

Market Outlook and Tax Bill Effects!

Market Outlook!

Lets look at the overall housing forecast for 2018 first. Existing home sales **are projected to increase nationwide by 3.7% and home prices are expected to appreciate by 4.9% in 2018 according to the National Association of Realtors forecast.** While forecasting the real estate market is a lot like forecasting the weather, in any other state except Arizona, we believe these statistics to be reliable and for the most part accurate. A slight increase in interest rates and growing inventory point to a slight slowing of the market, but here **in Arizona this may mean the market simply slows from white hot to red hot despite our current seasonal slow down! As inventory grows, the services of a traditional real estate broker become even more important to maximize sales price and reduce time on the market as**

well as eliminating those pesky little mistakes. We know a good one!

That being said, all real estate is local just like politics. In Avondale, Zillow predicts a **3.4% increase over the next year** after a whopping 8.3% increase over the last year. The average list price per square foot in Avondale is currently \$118 per square foot. In Litchfield Park, Zillow **predicts a 2.6% increase over the next year** after a 5.3% increase over the last year. The average list price per square foot in Litchfield Park is currently \$133 per square foot.

Tax Bill Implications!

Admittedly, it is hard to weed through the hype of all the partisan entities including the lobbying efforts of the National Association of Realtors! I will do my best to give you straight answers based on the actual law.

- 1 Market Outlook and Tax Bill Effects!
- 2 Cover Article Continued
- 3 The Facts are the Facts
- 4 Subscribers Win
- Featured Homes
- What's My Home Worth?
- Recent Listings



Al Gage, P.C

Phone: 623-536-8200
Mobile: 623-694-9004
Fax: 623-536-8222
Email: al@algage.com

www.algagem.com

Continued on page 2

Continued from page 1

Mortgage Interest Deduction (MID)

The mortgage interest deduction remains largely unchanged with a couple of exceptions. **The new law caps the limit on deductible mortgage debt at \$750,000 for loans taken out after Dec. 14.** (Loans made before that date can continue to deduct interest on mortgage debt up to \$1 million.)

Homeowners can refinance mortgage debts that existed before Dec. 14 up to \$1 million and still deduct the interest as long as the new loan does not exceed the amount refinanced. The interest on a home-equity loan can be deducted as long as the proceeds are used to substantially improve the home. Mortgage interest on second homes can be deducted but is subject to the \$750,000 limit. This slight change is also affected by the change in the standard deduction meaning that fewer people will utilize the deduction because their amount of interest will not exceed the standard deduction amount which has been raised to \$24,000 for joint filers and \$12,000 for single filers, while eliminating the personal exemption altogether.

Capital Gains Exemption

This part of the law remains the same. You can sell your personal residence and not claim the net profit up to \$250,000 for single filers and \$500,000 for joint filers. The caveat here is that you still have to

have lived in the home for 2 of the past five years and can only complete such a sale once every 2 years.

Property and State Tax Deductibility

One of the benefits of living in Arizona, as opposed to say California or New York, is that both our property taxes and state taxes are relatively low (I said relatively). The new tax laws cap the amount that can be deducted for state and local taxes combined with property taxes at \$10,000. This may seem to be a dramatic change but let's explore an actual example of how this would work. In Avondale and Litchfield Park, we will use a property tax amount of \$2500. Yours may be slightly higher but most homeowners have a property tax liability of less than this in our area. That leaves an amount available to deduct of \$7500. According to the 2017 Arizona tax table, that would mean that this would not adversely affect a taxpayer unless their adjusted gross income was over \$176,887 (\$7500 divided by 4.24%). Using the 2018 brackets this amount would be \$165,198 (\$7500 divided by

4.54%). While this provision will affect some homeowners in the area, it may be offset by the differences in bracket rates or standard deductions.

Investors

A great deal has been made about this provision affecting real estate investors' ability to deduct property taxes. This provision would only apply to the deduction on your primary residence. All other rental expenses would still be deductible as a rental property expense against the income the property produces.

1031 Tax Free Exchanges

Nothing has changed on the 1031 front. We are capable of doing these on like-kind investments in real estate (this means investment real estate, not shares to real estate investment.)

While I am not advocating for or against the provisions of the law, **I just don't see enough changes with regard to real estate to have any net effect on our market, especially here in Arizona.**

If you need to sell your personal home, investment property or purchase a new or resale home anywhere in the valley, call the proven, reliable and statistically top performing Al Gage Team!

623.536.8200 or al@algage.com

The Facts are the Facts! Neighborhood Experts?

In 2017 Al Gage SOLD 72% more than his closest competitor!

Almost twice as many as his two closest competitors and 328% or over three times the average of his top 10 competitors!*
Al Gage has sold over 1400 homes in your neighborhoods!

*excludes new home salespeople, institutional agents and single client agents

Why would you call anyone else?

**Subscribe Online**

Go to www.al@algage.com/SubscribeToENewsletter.html

Stay up to date with the current news, right in your inbox. Subscribers are placed in a drawing to win a set of FREE movie passes! 4 sets of passes will be given out this month! Please share this opportunity with family, friends, and neighbors.

featured listings**12405 W. Virginia Ave.**

An Azure Model
2277 S.F., 4 BR, 2 BA
3 Car Garage and much more
in Rancho Santa Fe!
Listed by Al Gage for \$282,000

**2724 N. 127th Dr.**

A Brigata Model (2335 S.F.)
4 BR, 2 BA with a pool, 3 car garage
and many upgrades in Rancho Santa Fe.
Listed by Al Gage for \$306,000

**1908 N. 127th Ave.**

A Sedona Model
3 BR, 2 BA (1516 S.F.)
great room in Rancho Santa Fe.
Listed by Al Gage for \$202,000

**10672 W. Willow Ln.**

A 1600 S.F., 2 BR, 2 BA with a den,
many upgrades and perfect landscaping
in Westwind.
Listed by Al Gage for \$195,000

**What's My Home Worth?**

Email Al at al@algage.com with the address, a list of upgrades, the current condition of the property rated < from 1 being terrible condition and 5 being model perfect > and he will personally prepare a professional market analysis of your home free of charge.

Use "What's my home worth?" in the subject line and also include the purpose of the evaluation in the email.

No automated valuations here!

Want a current and local Market Update go to www.algage.com/January2018MarketUpdates.html

In 2017, Al Gage successfully represented 72% more clients than the closest competitor and 328% more than the average of the Top Ten Agents in your neighborhood! #1 in your neighborhood four years in a row!