



Greetings!

Good news- our local market continues to strengthen with January stats showing even more decline in inventory and a healthy pace with closed sales. I think the fact that our weather has been cooperative for many of our traveling Buyers who normally would not be coming over the hill to shop has a lot to do with this but nevertheless we have Buyers who are wanting to get into the market to take advantage of fabulous interest rates and hedge on the real estate market hitting 'bottom'. Bottom is going to be different for each individual neighborhood and currently I am seeing those homes in the lowest price ranges (under \$100,000) getting scooped up within days of listing-it is feeling like a turning point. And it is predictable that when, not if, we get a glut of new distressed properties sales in the pipeline the pattern will be affected-and I am wondering-could we see values stabilizing soon?

Then we have a lot of confusion about the new 3.8% tax rate beginning in January 2013. It is complicated but I want you to understand that it applies to SOME investment income, not all real estate transactions. This tax will fall on those individuals with an adjusted gross income (AGI) over \$200,000 and couples with a joint return of more than \$250,000 AGI. It will apply to interest, dividends, rents and capital gains. I have posted a link on the front page that will take you to simple examples of how this tax would play out in specific situations.

I also just posted the January market stats for our area on my website (under Local Market Stats) - you should take a look if you get a minute!

Best regards,

Diane Bartsch

P.S. If you know anyone thinking of buying or selling please remember that I am never too busy for your referrals!

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