

BoeKnows Real Estate

Your Questions from Real Estate Buyers, Seller, & Agents

By Patti Boe

Q. Should I invest my equity in remodeling my current residence or should I sell and buy a home already updated (or new construction)?

A. Always consider location first, then the upgrades. Are you planning to be in this home less than 5 years? Even if you are not, you should plan that if you have to sell, you could make a profit. Life often gives us surprises. Look at the comps for all areas of Santa Cruz and see which zip codes seem to appreciate more, faster. (If you are creating a family heirloom to be passed down to your children, then this strategy need not be considered.) But, if you are like most folks and appreciation is important; consider how much income tax you will pay if you sell and how much more property tax you will pay on your new purchase. This may still be worth it if you are moving to a more desirable location and/or more appreciating location. If you decide to stay, remodel and sell within 5 years; consider a design that will appeal to most people when you do sell. It is also wise to check with your real estate agent to see what sells best and still appeals to your sense of design and comfort. When you are making remodel decisions on how much to invest, colors, style, textures and amenities; keep re-sale in mind – you never know when you may be moving.

Q. Should I invest in real estate out of state?

A. This is a loaded question. Loaded with lots more questions: Which state? How deep are your pockets? Are you in for the long run or a quick turn-over? Do you have friends, advisors, or an investment club that is doing your homework in that state for you? The most important question is: why would you consider out of state when our backyard has proven to be the best appreciating, most lucrative real estate market over the years in the U.S. Even in the last recession years of the early 90's after the earthquake, Santa Cruz still beat out all other markets for holding its own in prices. Example: an oceanfront home sold for the highest price ever sold up that point on Opal Cliffs in 1994 - \$630,000 cash with 4 offers. (Most agents agree that year was our lowest point in the market for price.) The seller took the money to Santa Barbara and bought a huge oceanfront estate out of foreclosure and made 12 times his money because that market was so depressed at that time. Santa Cruz' market seems to miss those severe lows. My advice is: keep your money at home where you can keep a close watch on your investment and also have the assurance it is more stable than most other states (and most other areas of California). Happy summer and enjoy this great beach weather!

Call Patti Boe 800-738-3261, See PattiBoe.com for beachfront homes, commercial and income properties

***Send Questions to**

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