

# Real Estate CORNER



FEBRUARY 2021

## Home Improvement Projects Buyers Will Love



When remodeling your home it's always important to ask yourself: Am I remodeling for myself or for resale value? If you're remodeling because you want to and you expect to be in your home for many years, go crazy and do whatever you want. However, if you've considered moving within the next few years, you should consider the resale value of possible projects and potential appeal to future buyers.

When selling your home it's very hard to recoup all of the money you put into remodeling. However, some projects have a bigger return than others like adding manufactured stone siding, replacing garage doors, minor to mid-range kitchen remodels, and replacing your entry door.

While these are still great projects to tackle, homeowners' desires are changing thanks to the pandemic. Here are some new projects you might want to consider.

**Home Office** - A home office is high on the list for many homebuyers right now. When buyers are house hunting, they'll want to make sure they can see themselves working in their new space. Consider installing cabinets in a spare room, or turning the guest room into a guest room/office. If you do decide to sell and are staging the home, put a desk in an unused nook. Even if you didn't use it as an office, it will help potential buyers envision themselves working from home in your space.

**Attractive and Functional Kitchen** - With more people cooking and eating at home, kitchen functionality and aesthetic appeal are more important than ever before. A study from America at Home said the desire for a better equipped kitchen rose 5% just last year. Opening a wall to a living or family room might be something to consider. Or, you can add an island with seating so would-be buyers can imagine their kids doing their schoolwork while they make dinner. There are plenty of



ways to show buyers that your kitchen can function for them.

**Attractive and Usable Outdoor Space** - The pandemic has resulted in people spending more time in their backyards also. If you've ever considered installing a deck, or creating an outdoor seating area, now is a great time to tackle that project. Even simple projects like planting flowers or trees can really make a difference. Outdoor kitchens have made a comeback in the past year with pizza ovens, gas smokers, and outdoor bars particularly popular.

### Thinking About Making a Change?

We'd be happy to help you determine the resale value of any projects you are considering. Or, we can let you know if we think your home needs any improving before putting it on the market. Just give us a call at 562.896.2456.

JUST SOLD



Sold for \$1,130,000

**352-354 Molino Avenue**

Two-on-a-lot Craftsman home in Bluff Heights



Sold for \$1,000,000

**733 Stanley Avenue**

Two story Craftsman home with flexible living space



Sold for \$805,000

**791 Raymond Avenue**

This Rose Park home sold for \$30,000 over asking price

# 1031 Exchanges Explained

1031 tax exchanges represent a great opportunity for investors to increase their income potential without increasing their out-of-pocket taxes. This process allows a property owner to sell one (or more) properties and transfer that equity to one (or more) replacement properties. At the same time, the property owner is able to defer capital gains taxes on the profit.

During a 1031 exchange, the sale and purchase must be properly structured. There are very specific requirements that must be followed for the transaction to qualify for tax deferral. Property used primarily for personal use doesn't qualify for a 1031 exchange. This includes a primary residence, second home, or a vacation home. However, there are other capital gains exemptions that apply to personal residences.

When completing a 1031 exchange, the proceeds are first held by a third-party intermediary (sometimes called an "accommodator.").. Afterward, they are transferred to the escrow company for the purchase. It's important to know that if the investor receives cash or proceeds from a sale before the exchange is complete, it may mean all the gain is taxable.

## Basic 1031 Exchange Requirements

- The taxpayer who sells the property must be the taxpayer who buys the new one.
- You must identify a new property within 45 calendar days of closing escrow on the first property.
- Taxpayers can identify four or more properties as long as the value does not exceed 200 percent of the property sold.
- The taxpayer must complete the purchase of replacement property within 180 calendar days of closing on the first property.
- The price of the replacement property must be equal to or greater than the old or relinquished property.

There are some variations, including what's called a "reverse exchange," where you buy your replacement property and then sell. It's important for an investor to work with a Realtor who is knowledgeable about 1031 exchanges as well as a reputable qualified intermediary. For more information, or for a referral to a 1031 exchange expert, please reach out to us.



Want to learn more? Check out our interview with 1031 Exchange expert Phil Atwan. You can find it on our website or our YouTube channel.

## Home Improvement Projects To Leave To The Pros

Thanks to the pandemic and stay-at-home orders, home improvement spending has increased in the past year. On average, homeowners spent more than \$13,000 on home-related services in 2020. Many of these people are turning to DIY projects to fill the time and improve their homes. From fixer-uppers to small home projects, everyone likes the feeling of accomplishment that comes from completing a DIY project. But be careful. These are projects you may want to hire a pro to do:



**Fixing the Roof** - Replacing a few shingles on your roof may seem simple but looks can be deceiving. Roof repairs are not only dangerous but can be very complicated as well. Without the right expertise, roof repairs gone wrong can have a serious negative impact on your home. Trying to save a few bucks can lead to major problems like water damage, mold, fire hazards, and loss of insulation. Any of these can end up costing you thousands down the road.



**Additions And Major Remodeling** - Removing walls and adding extensions are not as easy as they seem. Some walls are load-bearing, meaning they are the main support walls of your house. Start messing with one of these and you can cause thousands of dollars of damage. Then there's the underlying factor of plumbing and electrical. There's nothing worse than starting to tear down a wall only to find plumbing and electrical systems inside that now need to be re-routed.

**Gas Appliance Installation/Repair** - These days, many of our main household appliances run on gas. This includes water heaters, ovens, and clothes dryers. Don't make the mistake of trying to fix or install one of these appliances on your own. It could prove to be deadly. A single loose connection in the gas line could result in the build-up of gas in your home. In the US, more than 400 people die of carbon monoxide poisoning every year. If that doesn't get you, the build-up of gas can be ignited with a single spark, and cause fire or even an explosion. This should be a no-brainer when deciding to call the professionals.

If you are looking for DIY projects to tackle on your own, there are plenty of options! Try painting a wall a fun color, or creating a photo wall. "Upcycling" furniture - taking them from drab to fab - is another fun trend. Check out a YouTube video and see how you can make that happen. Bottom line - there are plenty of fun DIY projects out there.

# Local Spotlight: CALIFORNIA HEIGHTS

If you like tree-lined streets and charming historic homes, particularly Spanish Colonial Revival and other 1920s architectural styles, then the California Heights neighborhood of Long Beach is a neighborhood you won't want to miss.

Lying between Wardlow Road on the south, Bixby Road on the north, Cherry on the East, and Long Beach Boulevard on the west, the California Heights Historic District is the city's largest historic district with about 1500 homes. It lies just south of Bixby Knolls.

Until the 1920s, this area was part of the Bixby Ranch and was used primarily as grazing land. But the discovery of oil in Signal Hill and a resulting economic boom led to the Bixby Land Company to subdivide and sell off lots in the California Heights area.

The California Heights neighborhood has received various awards and recognition over the years, including a write-up in Sunset Magazine as one of the "Best of the West" neighborhoods. There's an active neighborhood association that raised funds to restore their historic streetlamps and has hosted many successful and well-attended historic home tours.

If you're looking for a charming neighborhood with active residents and a great location, then California Heights may be what you're seeking.



To see our latest neighborhood video featuring California Heights, check out our YouTube channel! We have videos of many of the Long Beach neighborhoods as well as listing videos, market update videos, real estate resources, and more!

Have you subscribed yet so you can be the first to know the next time we release a new video?

## Thank You For Your Kind Words and Referrals

Our team was able to help more than 50 families with their real estate plans in 2020, and we are so grateful for everyone who chose to work with us, to refer business to us, and those who took the time to write reviews of us online. Much of our business comes from referrals, or from people who find us online and then check out reviews. If you would like to share your experience with our team on Google, Yelp or Zillow, we'd appreciate it!

### Zillow Review

Highly likely to recommend | 5.0 ★

10/16/2020 - deanameza81  
Sold a Condo in 2020 in Long Beach

- ★★★★★ Local knowledge
- ★★★★★ Process expertise
- ★★★★★ Responsiveness
- ★★★★★ Negotiation skills

Before Shannon Jones, I don't think I knew what realtors were supposed to provide. Now that I have worked with the Shannon Jones Team,

I wouldn't go anywhere else when buying or selling a home. They made the process match our expectations by asking what was important to us. They listened, and executed flawlessly. They made the most complex and stressful situation so much easier. Even after falling out of escrow 2 prior times, they kept with it and made sure they would do what they could to help get our condo sold! They kept their word throughout the process and we got it done as a team! Shannon knows what she's doing, the team she put in place is excellent and I loved talking with all of them. They all knew what was going on with my condo and made asking questions easy.

### Google Review

Gary Coyne  
1 review  
★★★★★ a month ago  
Positive: Professionalism

I worked with Shannon and her team in buying a condo in the Bixby Heights area of Long Beach in 2015 and had a great experience so worked with them again when I was ready to sell in late 2020. Once I was ready to sell, her team took great pictures of my place and ensured that web and social media posting were accurate, relevant and appealing to potential buyers. While I think that may have been the best thing her team was able to do to help me secure a price just above my asking price, they didn't stop there. Shannon helped me understand some of the pros and cons of each offer as they came in and, once we selected an offer, her team helped walk me through all the paperwork and such associated with moving through escrow and closing. Would recommend Shannon Jones team to anyone thinking about buying or selling in the Long Beach area.





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## Long Beach Cookies

We confess it, we have a sweet tooth, and here in Long Beach, there are so many tempting possibilities. Over the holidays, our team did a live cookie tasting and sampled cookies from some of the area's top bakeries. And that was such a success, we did a second round. (You can catch the replays on IGTV if you're interested.)

Now that Valentine's Day is around the corner, what better way to treat your sweetie than some wonderful baked goods? If you want to bake your own, here's an easy recipe to get you started. Want to buy from a local business? Here in no particular order are some of our favorites. And yes, we can personally vouch for them all.

- Baker Bear Cookies
- Royal Gourmet Cookies
- Crinkle Me Cookies
- Chef Louise Catering (Shortbread Cookies)
- Sweet Jill's
- Scratch Baked Goods
- Plants Water Love
- Mollie Rose Bake Shop

## Valentine Sandwich Cookies



### INGREDIENTS

- 1 cup butter
- 1 ½ cups confectioners' sugar
- 1 egg
- 1 teaspoon vanilla extract
- ½ teaspoon almond extract (Optional)
- 2 ½ cups all-purpose flour
- 1 teaspoon baking soda
- 1 teaspoon cream of tartar
- Pink frosting

### DIRECTIONS

In a large bowl, cream together butter and confectioners' sugar. Beat in egg, vanilla and almond extract. Mix well.

In a medium bowl, stir together flour, baking soda and cream of tartar; blend into the butter mixture. Divide dough into thirds and shape into balls.

Working with 1/3 of dough at a time, roll out dough into desired thickness on a lightly floured surface. For each heart sandwich cookie, cut out 2 3-inch hearts. Cut out the center of ONE of the 3-inch hearts with the 1 1/2-inch cutter.

Place each piece separately on an ungreased cookie sheet, 1 - 2 inches apart. Bake in a preheated, 350 degrees F (175 degrees C) oven until lightly browned (7-8 minutes for 1/4 inch thick cookies). Cool completely on wire rack. Frost bottom cookie and place an open centered cookie on top to form the sandwich. Also frost the small 1 1/2 inch hearts and serve as separate cookies.