

REALFACTS

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Residential Edition



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As a Real Estate Advisor, I belong to a group of real estate professionals who not only list, lease and sell real estate, but also advise their clients on how to invest in real estate using discretionary income, self-directed retirement accounts and 1031 Tax-deferred exchanges. Contact me if you have an interest in investing in real estate.

Home Sale Prices Skyrocket in Opportunity Zones

By Ken Holman

One of the biggest economic opportunities to come along in some time is the creation by Congress of Qualified Opportunity Zones as part of the Tax Cuts and Jobs Act of 2017. By early 2018 state and territorial governors and the mayor of the District of Columbia had identified 11,072 Census Tracts as Qualified Opportunity Zones (QOZ).

The Opportunity Zones program gives investors specialized tax treatment, including the deferral of capital gains, for investment in a QOZ or in an Opportunity Fund that invests at least 90 percent of its assets in businesses located in QOZs.

The QOZ incentive requires investors to realize capital gains in these designated census tracts in exchange for a multi-year deferral of taxes due on the gain and a possible exemption for the payment of any further capital gains for new investments held for 10 years or more.

Zillow identified 8,700 designated Opportunity Zones across the country that have seen home sale prices rise by over 20 percent since the Act was passed in 2017. Meanwhile, some areas that were eligible to be a QOZ, but were not selected for the program have seen a decline in sale price growth.

Recently Zillow released a ranking showing which QOZs were most likely to see the most investment. Brooklyn Heights in NYC topped the list.

Rank	Tract	Neighborhood	City	County	State
1	36047000100	Brooklyn Heights	New York	Kings County	New York
2	26163518000	Wayne State	Detroit	Wayne County	Michigan
3	22071004000	Treme' Lafitte	New Orleans	Orleans Parish	Louisiana
4	47037016200	Historic Waverly Place	Nashville	Davidson County	Tennessee
5	36047080400	Prospect Lefferts Gardens	New York	Kings County	New York
6	36047009800	Sunset Park	New York	Kings County	New York
7	36047024300	Bedford Stuyvesant	New York	Kings County	New York
8	25025040300	Charlestown	Boston	Suffolk County	Massachusetts
9	36081007900	Astoria	New York	Queens County	New York
10	47037016300	Edgehill Community Garden	Nashville	Davidson County	Tennessee

Courtesy of Zillow

According to Alexander Casey, Zillow's policy advisor, "What's clear in the meantime is that [in] the vast array of neighborhoods selected as Opportunity Zones we've witnessed wildly different housing market trends up to this point, which might hint at the future of these communities."

From my perspective, if you're a residential investor, you might consider reviewing the QOZs in your market to determine if there are investment opportunities.

Ken Holman is President of the National Association of Real Estate Advisors (NAREA). To become a member of NAREA, visit www.nareagroup.org; email ken@nareagroup.org; or call (801) 931-5571.

REALFACTS

What Type of Investor Personality Are You?

By Ken Holman

There are Six Investor Personality Types: 1) **Cautious**; 2) **Emotional**; 3) **Technical**; 4) **Busy**; 5) **Casual**; and 6) **Informed**.

Knowing why you make certain investment decisions can help you become a more educated investor. There are several studies that determine investor personality type. The CFA Institute categorizes investor personality types into four main groups: Preservers, Accumulators, Followers and Independents. Barnwell Two-Way Model groups investors into "passive" and "active." One of the best studies uses Psychonomic Investor Profiling which holds that a person's propensity to risk is unlikely to change regardless of circumstances. Psychonomic refers to the laws of science as they relate to the mind's internal and external psychological environment.

A **Cautious Investor** makes conservative investment choices. They have a strong need for financial security and prefer to avoid high risk ventures.

An **Emotional Investor** likes to trust their gut instinct rather than doing thorough due diligence. They believe in "luck" or "providence" and follow the "hot tips" that seem fashionable at the time.

A **Technical Investor** makes financial decisions based on hard facts and numbers. They do excessive due diligence and are constantly looking for the latest developments.

A **Busy Investor** is constantly checking the latest price movements and is always buying and selling based on the latest gossip or hearsay from financial journals.

A **Casual Investor** is more laid back when it comes to finance and investment. They want a professional advisor to take care of things.

An **Informed Investor** relies on information from multiple sources before making a financial decision. They expect their understanding of investment markets will give them a better chance of achieving a higher return.

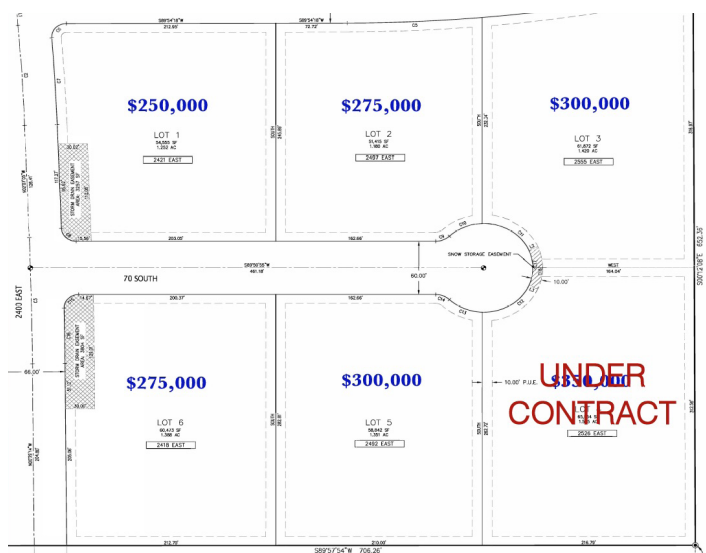
Which type of investor personality do you have?

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FEATURED PROPERTY

The Views at Lindsay Hill | Heber Valley, UT



AVAILABLE LOTS

- Lot 1
1.252 Acres | \$250,000
- Lot 2
1.180 Acres | \$275,000
- Lot 3
1.420 Acres | \$300,000
- Lot 4
1.505 Acres | \$350,000
- Lot 5
1.351 Acres | \$300,000

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PROPERTY SUMMARY

New Eastside bench prestigious community of Heber with radiant views of Mount Timpanogos, Deer Creek and the Heber Valley. This luxurious community boasts over 1 acre horse property lots and features upscale New Craftsman and Mountain Modern design. Located directly across the street from the Red Ledges Golf Course. Enjoy the quiet serenity of this secluded Heber living.

