

WHAT HOME SELLERS SHOULD KNOW ABOUT TAX REFORM

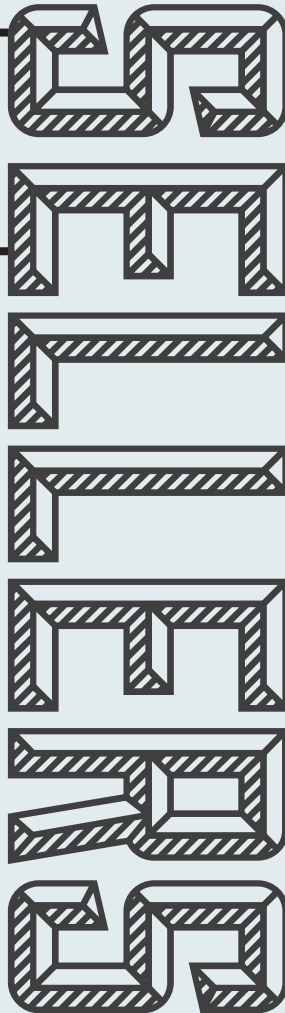
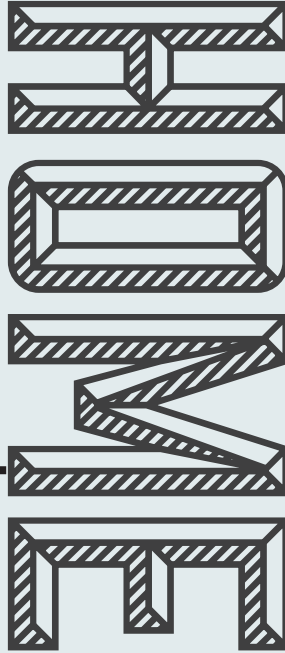
Here's what home sellers need to know about the Tax Cuts and Jobs Act that was signed into law December 2017.

MOVING EXPENSES

- Moving expenses are no longer tax deductible, except for members of the Armed Forces.

HOME PRICE IMPACT

- California's median home price is projected to increase 3.2 percent in 2018, which is good news for home sellers.
- Properties priced below \$500,000 may see an approximate 4 percent increase in price.
- Properties valued at \$750,000 may see a price increase of 2.4 percent, while properties at the higher end could inch up 1.5 percent.
- Properties priced between \$1 million and \$1.5 million could still see some appreciation overall, but will likely be at a growth rate of less than 1.5 percent.



HOME SALES IMPACT

- Taking into account the impact of tax reform, home sales in California are expected to increase 0.3 percent in 2018.
- Demand for homes priced \$600,000 and below will remain strong, due to limited housing inventory.
- Homes priced \$750,000 - \$1 million could experience a decline in sales of up to 0.9 percent.

HOUSING SUPPLY IMPACT

- The supply of available homes for sale also will be slightly impacted, as homeowners may delay trading up/down to their next home.
- Overall, the California housing market is expected to see a decline of 0.3 percent in active listings in 2018.

Disclaimer: This is not intended to provide legal or tax advice. Application of provisions to particular tax situations need to be discussed with an accountant, CPA, or tax attorney.