

## Owned Your Home for a Long Time? Here Are Some Ideas on Limiting Capital Gains Liability

If you bought your primary residence back in the 1960s or 1970s, there's a good chance that you'll be pushing the limits of the capital gains tax exemption when it comes time to sell.

**REAL ESTATE TODAY**



By **JIM SMITH**, Realtor®

Fortunately, the recently enacted tax reform bill retains the \$250,000 exemption from capital gains tax for a single person, and the \$500,000 exemption for a married couple. If you bought your house for, say, \$30,000, in the 1960s, it's quite possible that it's worth 10 or 20 times that amount now, resulting in the possibility of capital gains taxation.

I am not a CPA or tax advisor, but I can share some of what I've learned about strategies to avoid capital gains taxation on the sale of your home.

If you're a couple thinking that you might want to sell before you both die, consider selling before **one** of you dies, or your \$500,000 exemption will be cut in half. Remember that you have to have lived in your home for at least two of the five years prior to sale date, in order to have that exemption, so if you recently moved into, for example, an assisted living facility, you'll need to sell it within three years of your move or you'll lose the exemption.

**Do not add your heirs to the title** of your home as a "joint tenant" with rights of survivorship. Why not? Because, although it may simplify the passage of ownership to them upon your death, it simultaneously adds to their tax liability. This occurs because they inherit your original purchase price as their cost basis, whereas if they inherit the property **through your will**, the basis for them is stepped up to the fair market value of the home at the time of the inheritance. Again, this requires that you **not** move out of the house more than 3 years prior to passing.

If one of a married couple moves out, the \$500,000 exemption is preserved by the other spouse as long as the absent spouse is still alive, providing the couple sells the house within 3 years of both moving out.

### Come to Golden Real Estate for a Tour of Our Net Zero Energy Office

As mentioned in last week's column, we're hosting a tour of our 17695 S. Golden Road office this afternoon (Thursday). You're invited to drop by anytime between 3:30 and 5 p.m. You may find ideas for how to retrofit your own home or office to make it more energy efficient! We want to be sure to have enough hors d'oeuvres, so please email [Jim@GoldenRealEstate.com](mailto:Jim@GoldenRealEstate.com) to let us know you're coming.

The following evening (Friday), there's a similar opportunity to tour my listing at **1960 S. Gilpin Street**, near Denver University. The seller of this net zero energy "passive house" is having a party for friends prior to her move to Boulder, and she said that anyone interested in its sustainable features is also welcome. I'll be there myself to speak with anyone interested in making an offer.

Again, I am not a tax advisor, and am only recounting what I have been told by tax and estate-planning professionals. Consult your own tax professional before acting on anything I have said in this article. If you don't have a tax advisor, I can help you find one.

If you'd like to know what your home is currently worth, or what it might sell for, call Golden Real Estate at 303-302-3636 for a market analysis. Our agents are also available to meet with you in your home.

If you're considering moving into a senior community, we know experts on such facilities, which are usually rentals.

Downsizing could take the form of moving into a low-maintenance or zero-maintenance condo, townhome or patio home, in which case we, as Realtors, can serve you ourselves. If you are worried about selling your current home and then not being able to find a replacement because of the low number of active

listings, we have strategies for avoiding that situation. Call us for a free consultation.

### Here's Some Advice About Electric Cars

As an "early adopter" of electric cars, I am often asked about how they work and whether they make sense for particular buyers. I'm happy to speak with you (or your group) on the topic. Here's some advice.

1) Plug-in hybrids are a good first step. My favorite is the Chevy Volt. My 2012 Volt has 78,000 miles on it, performs like new, and has a lifetime MPG of 220+.

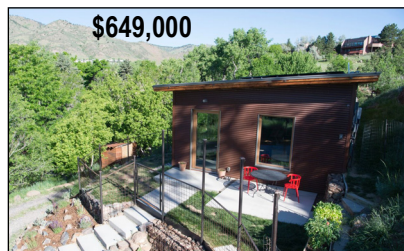
2) Used electric cars are a real bargain. You can get a used Volt for \$10,000 or less. Unlike used gas-powered cars, there's almost nothing that will fail in a used electric car — no transmission, timing belt, etc.

3) If you're waiting for a Tesla Model 3, consider buying a **used** Model S for the same price or less.

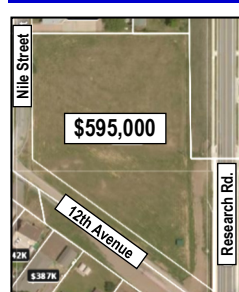
4) I have other advice. Call me at **303-525-1851**

## Home Near Downtown Golden Just Listed by Norm Kowitz

Built from the ground up in 2014 to meet the stringent energy standards of Germany's PassivHaus Institute, this amazing home at **407 Garden St.** is one of the most – if not **the** most – green homes in Colorado. An ultra-efficient building envelope allows this ingeniously designed home to consume as little as 10% of the energy used by a traditional home of the same size. It's entirely electric, with electricity consumption offset by a 3.9kW photovoltaic system, making the home a net-zero residence and delivering a HERS rating below 10. Currently 1 bedroom and 1 bath, the home was designed with a 440-sq-ft second floor in mind, which would add 2 bedrooms and another bath (plans included). To top it off, the home sits on a private lot with incredible mountain views and is located just a few steps from the Tucker Gulch walking path, half a mile from the heart of historic downtown Golden. Norm Kowitz will be holding this home **open this Saturday, noon to 2 p.m.** Meanwhile, you can view a narrated video tour of this home and its sustainable features at [www.NorthGoldenHome.com](http://www.NorthGoldenHome.com), or call Norm at **303-229-3891**.



## Rare 3+ Acre Golden Parcel Just Listed by Kristi Brunel



Build your dream home on 3+ acres in Golden! Imagine a mountain view to your west and easy access to all Golden has to offer. This parcel is nestled near the base of South Table Mountain and is close to mountain biking/hiking trails, I-70, light rail, Colorado Mills and the National Renewable Energy Laboratory (NREL). Zoned R2, this parcel also has great potential for a small residential development. The aerial view at left (from Zillow) shows the parcel's location on the west side of Research Road, halfway between South Golden Road and the employee entrance to NREL. At right is a view of the lot from Research Road, looking to the west with the mountains in the distance. Visit [www.GoldenAreaLand.info](http://www.GoldenAreaLand.info) or call Kristi at **303-525-2520** for more information — or simply drive by to take a look.



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