

## Senior Advice: It's a dicey time for real estate

by *Doug\_Mayberry*

Q: We are planning to retire and settle in a retirement community next year. We have an excellent real estate broker in our community and have asked his advice. He says our local prices are down about 7 percent here and believes prices may continue down.

What are your thoughts about selling now, and buying into a retirement community and renting it until we can make our move?

A: Your decision is a crapshoot, and you are playing with major bucks. Because of the upcoming election, continuing war and the strong decline of the dollar's value, all options are dicey. Uncertainty is the major factor, and like the stock market, it is difficult to catch the tops and bottoms. Mortgage rates are down, but many of us see inflation lurking not far behind.

Meet with your accountant to determine your best tax advantages. Chances are you will have less income in retirement, plus other factors, which need to be analyzed before making your decisions.

All real estate is local and you need to invest time to put your puzzle together. Professional real estate appraisers base housing's true historical value on what is called "rent versus owning ratios". This simply means when sales prices get too high people choose to rent. In many markets, these ratios are way out of line, plus there is a glut of unsold housing, which will not attract buyers or speculators until prices go down. Even developers are being forced to lower their prices.

How long would it take to spruce up your home for sale? Would leasing in a retirement community for a year before purchasing be wise? I know buyers who regretted their decision to buy because they did not like the community, their partner's health suddenly broke, or their family faced an unexpected emergency and needed help.

Make a list of your concerns and issues. Weigh the pluses and minuses. No decision is ever perfectly timed, and changes are inevitable. The bottom line is go with your gut feelings and be prepared to accept what will be, will be!

Q: My partner and I have lost our mates. We have been living together in her home. Our plans were to be married early in '08. Unfortunately, her home burned to the ground last month, and she has lost all of her vital papers, personal belongings and is seriously depressed.

We were able to get out safely, and now I want to help as much as I can. How best can I do so?

A: Be very patient, keep your arms around her, and gently remind her "things are just things." Tell her you are blessed and lucky neither of you were injured. Assure her wonderful memories and the good times will never be gone.

Rent an attractive place to live while she determines whether to rebuild, sell or buy another home. The shock and energy now required to duplicate policies, fill out all the paperwork, and deal with the insurance company is a major stress. A small blessing coming out of your tragedy is the opportunity to bring yourselves closer emotionally. Your tragedy has created an opportunity to help create a new and stronger relationship and companionship. In processing the frustrating details you will discover and appreciate how much you need each other. This will give you time to discuss and determine how you will deal with your future. You may well choose to delay your wedding in order to give you time to reorganize your lives.

It's a new beginning and in reconstructing your lives, steering her thoughts to a positive outlook will also strengthen your upcoming marriage. Now is the time for you to step up to the plate and involve yourself by sharing her paperwork challenge to process the details as quickly as possible. I wish you well!

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