

GIVING JUNIOR THE GIFT OF HOMEOWNERSHIP

NORTHBROOK, Ill. (September 28, 2009) – Low rates, large variety, lowering prices and sellers willing to negotiate mean that now could be a good time for parents to help their grown children invest in a home. But investing in a home today may not just be about building a roof over a son or daughter's head, it may be an opportunity to get into a future urban retreat or downsized retirement property at today's prices.

"Parents today are uncovering creative ways the current housing market can benefit their families and financial aspirations," said Fran Broude, president and COO of Coldwell Banker Residential Brokerage. "Purchasing a home today for a son or daughter can be a great investment opportunity for both the child and parents."

Here are some tactics parents can consider:

- **Give a cash gift.** Hurdling a 20 percent down payment is a difficult task for those who just entered the workforce. Individuals are permitted to gift up to \$13,000 per person in a given year without incurring gift tax, which means a couple could give up to \$52,000 in a single year toward a down payment by gifting funds individually to a son or daughter and spouse.
- **Buy to rent.** If you're looking for a retirement property, but not quite ready to part with your current residence, consider buying the property now and have junior move in as a renter. You get to take advantage of today's market and have someone you trust taking care of the house. Check with your attorney to weigh the tax implications this type of arrangement presents.
- **Lend money.** If gifting a home or funds doesn't fit your financial expectations, considering arranging a loan agreement that pays back some or all of the funds provided for the transaction. Just keep the loan as businesslike as possible and clearly spell out your expectations before money lands in junior's hands.

Coldwell Banker Residential Brokerage, a leading residential real estate brokerage company serving Chicagoland, Northwest Indiana, Southeast Wisconsin and Southwest Michigan, operates 58 offices with more than 3,800 sales associates. Coldwell Banker Residential Brokerage is part of NRT LLC, the nation's largest residential real estate brokerage company. NRT, a subsidiary of Realty Corporation, operates Realty's company-owned real estate brokerage offices. For more information, please visit www.coldwellbankeronline.com.