PROPERTY TAX PLANNING OPPORTUNITES AND CONSIDERATIONS - ASTORIA STRATEGIC WEALTH

While our client base resides in states across the country, we have continued to experience growth in states such as Texas, Florida, and North Carolina. Accordingly, we have heard from clients and those in our respective communities (and experienced personally) about the substantial increase in property values. According to *The Economist,* the average home price nationally has doubled in value since 2012. While this is a wonderful development for most homeowners given their home is the largest investment for many, it is not without consequences. Particularly with this impact on net worth, we recommend all homeowners remain vigilant in evaluating whether the tax appraisal of their home is a fair and appropriate assessment of value. The next page includes a few considerations that we recommend in planning for the rising cost of housing:

#1

Consider Appealing your Property Taxes

If you have received a notice of your property tax increase, you can most likely appeal to your Appraisal District. In the state of Texas, you will be required to prove by May 15th that in some way, your property was inaccurately valued. The most successful cases tend to use the following data to call for an adjustment:

a) Using the value of comparably sized homes in one's neighborhood or community.

b) Showing evidence that the inside of the house does not match the perceived value of the outside. This can be done by taking pictures of areas that need repair or upgrades.

We recommend checking your local appraisal district's website for any further instructions about how to formally appeal your taxes. The increased values in the housing market make it more difficult to have a successful appeal, but it could be worth your time and effort to attempt to lower your property taxes.

#2

Re-visit/re-assess Homeowner's and Property Insurance Replacement Values

Insurance analysis is an often-overlooked part of the financial planning process, but it is very important to ensure that the things you want protected are covered appropriately. Replacement Cost Value (of homeowner's insurance) is one of the areas that you should make a habit of checking annually as housing prices rise. Replacement Cost Value (RCV) is the monetary amount that it would take to replace your home or property in today's market. This number has likely increased over the last few years given the rises in both the broader housing market and material/labor costs of residential construction.

We strongly recommend checking your homeowner's policy to ensure the replacement cost value of your policy is equal to or exceeds the value of replacing your house. If this number is too low, your property may not be covered appropriately following any kind of peril (i.e. earthquake, flood, fire). If the number is too low, we recommend consulting with your property and casualty insurance provider.

We will continue to work with our clients to review insurance coverage minimally during the annual plan update process, and as always, if you have any further questions about either of the recommendations above, please do not hesitate to reach out to us.

DISCLOSURE

We believe the information provided herein is reliable, but we do not warrant its accuracy or completeness. This material is not intended as an offer or solicitation for services or for the purchase or sale of any financial instrument. If an investor has specific questions regarding their portfolio, then please consult your Client Advisor regarding your unique situation.

Past performance is not indicative of future returns. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of securities one currently holds. An investor should carefully consider all risks inherent in investing (including, but not limited to, the permanent loss of capital).

Diversification does not guarantee investment returns and does not eliminate the risk of loss.

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