

# Cosmo Tales From Paradise



L . C R A M E R   A N D   A S S O C I A T E S   A S S O C I A T E S

## Lisa's Corner

**SPECIAL POINTS OF INTEREST:**

**•We are proud to announce**

**L. Cramer & Associates services are now available in Port Charlotte Florida.**

**Call for details at 866-540-3478**

**HURRICANES AND WHAT THEY CAN COST YOU!**

Do you own a rental property in a hurricane zone and worry how to protect your investment?

The last two Hurricane seasons in this area of Florida have been horrendous. Future predictions for the next several years in our area contain ominous statistics for some difficult years ahead. It seems we are in a 10 year cycle for turbulent weather. So get ready to face some potential problems by being prepared and informed and don't panic.....

No, you do not need to run and sell your rentals in this area....lol....lol

Just follow some simple guidelines to arm yourselves and protect your investments.

**First line of defense:**

Do you have a comprehensive insurance policy? Did you know that your regular deductible does not apply in any named storm? Your hurricane deductible may increase to 2-5% of your original purchase price.... Does it cover the lanai? It may not, and **you don't even know it!** Read the fine print...Call your insurance agent and get the low down on your specific policy details!!!!!!

Many insurance companies do not include a lanai as part of the structure of the home, based on this simple technicality, you may be denied a claim!!!! You can add lanai coverage to your policy. If you have a small lanai that came standard with your investment purchase from a local builder i.e. First Home, Advantage,

Hansen, Adams, Boca Bay ect.... then it may not pay to add this coverage to your premium. Most of these homes get minor screen damage that can easily be fixed at a reasonable cost (usually not worth the cost of the deductible). If some small portion of the metal structure or screening is damaged, SW Florida Property Maintenance Company can easily fix this for you. However, if you have a huge screened lanai covering a pool area or a huge deck area, these types of lanai's always sustain the most damage in a hurricane with winds speeds over 50 miles an hour. These huge structures require permits to repair and require a specialized vendor. The costs to replace can range from \$5000 to \$20,000 as often they cannot be fixed, therefore, they must be replaced.

**Second line of defense:**

Do you have any hurricane shutters or plywood pre-cut for your windows, sliders and front door? **You may say, "hey, why bother?"** Did you know that 95% of all hurricane damage comes from broken windows due to high wind speeds creating flying missiles out of tree limbs, street signs and nearby construction debris? Custom hurricane shutters can be very expensive but pre-cut plywood is economical and will last for 15 years if stored properly. The best time of year to pay and have this done is during the winter months... Don't wait....Don't delay.... Are you asking why? Because, it will save you a bundle of cash during this

time period, as opposed to deciding to take action when a named storm is heading our way. When a major named Hurricane is heading to southwest Florida all costs involved in home protection go **CRAZY!** Labor costs double or triple, plywood costs can go from \$12.00 a sheet to \$100.00 a sheet. Remember the most basic principle in economics from school, ***Supply & Demand.***

***If you play the waiting game... you'll play the paying big bucks game.***

*I am a firm believer in playing things safe, as it usually pays off in the end. Remember the old saying, "penny wise and pound foolish"?*

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SUGGESTED HOME IMPROVEMENTS!!!!

Why make any improvement to your investment property? Because in the long run you can be cautious with small amounts of money, but care-less with larger amounts.

If you bought your investment home from a local builders like First Home, Advantage, Hansen, Boca Bay and or Adams ect your home may not have come equipped with some basic items you'll need for longevity ownership in our climate.

Example: It rains a lot in Florida, did you know that? Did you know your rental property

may have been built with the minimum number of rain gutters, in fact it may have been just enough to pass the city inspection? Is it enough? Nooooooooooooooooooooo! Run-off & wash-out are major issues in this area during the summer, which is our rainy season (it rains daily here folks). Are the standard two rain gutters your house may have come with adequate for the torrential rains we get here? Not hardly! Without proper guttering, rain spouts and proper run off directions you're going to start getting

calls from L. Cramer & Associates telling you about large holes forming along the exterior sides of your foundation and large dangerous ditches forming along your driveways. These holes are a serious liability for you! If someone gets hurt by falling or tripping in these run-off areas you may be in big TROUBLE! If this happens, just get out the check book, because it's BIG BUCKS TIME! Your guttering system can be improved economically. Call our Maintenance Department at 866-540-3478 and your maintenance representative will get you a quote today!



Give Maintenance department a call at 866-540-3478

LEE EXISTING HOME PRICES HIT HIGH

The median price of an existing home sold in Lee County hit an all-time high of \$288,700 in September up about 46 percent from a year earlier.

Ron Winer, an Akron, Ohio, certified public accountant who invests in home in Southwest Florida, said he's more worried about the prospects of higher interest rates.

Even after Charley, he said, "I didn't think hurricanes were going to be a problem because it's something

that exists. It's going to exist forever. I don't think it is going to help or hurt." If interest rates increase next year as some experts predict, he said that "could cause people not to rush as much into this area, but rather wait and see what people do."

In other data released by the Florida Association of Realtors, the number of existing home sales in the county increased about 50 percent to 1,075.

Data from August for Lee County wasn't available, but in July the median price in Lee County was \$287,500.

Nationally, previously

owned home sales were unchanged in September from a month earlier, matching the second highest level on record and suggesting the recent rise in mortgage rates and waning consumer confidence have yet to slow demand.

Information obtained from Dick Hogan News-press.com October 26, 2005



Lee County existing home prices hit high

# CHUCK'S MESSAGE

Reduce taxes by renting or selling property to a closely held business shareholders assets to the corporation. However, the sales price must be reasonable to avoid the IRS assertion that a constructive dividend has been paid. Another technique for withdrawing corporate wealth is a split-interest purchase, in which a shareholder and corporation simultaneously acquire separate interests in the same asset. To avoid trapping an asset in a corporation, and to provide a means of extracting corporate cash from current operations, the corporation would typically acquire a term

interest in the asset (e.g., a ten-year interest) and the shareholder would acquire a remainder interest (e.g., an that begins after the expiration of the corporation's interest and continues indefinitely). Further, a corporate tax deduction may be available for a term Able for a term interest in otherwise nondeductible assets such as land. Because these transactions generally involve related parties, they must be carefully analyzed. Among other things, the related-party rules may deny the benefit of capital gain treatment on asset sales, deny installment sales, deny the benefits of like-kind exchanges, or delay

certain deductions from related-party transactions. However, with planning, it is often possible to avoid traps. Please let us know if you think any of these strategies may reduce your taxes or if you have any questions about any business or personal tax issue.

Article provided from Charles Abels Massie, CPA, PA October 2005 Newsletter You may contact Charles Massie at 239-768-2171. Mr. Massie is a partner in L. Cramer & Assoc. and a CPA

## GET TO KNOW AN L. CRAMER & ASSOCIATES EMPLOYEE

Many of you have spoken to **Fran Haworth**, we thought it was time for you to get to know a little about her.

Fran celebrates her 1-year anniversary with our company and is our Field Supervisor in the maintenance department. She has lived in Florida for two years, and comes to us with 23 years of property manage-

ment experience. She was previously a licensed realtor in Ohio.

Many of you know she is a "getter done kind of gal". Fran loves a challenge and every day she encounters many at L. Cramer & Associates lol...lol..., but Fran has the type of personality to jump feet first into a problem and not stop running

until it's solved.

We at L. Cramer & Associates, Inc. are privileged to have Fran Haworth with us. Fran is now going to real estate school and will be joining our L. Cramer realty team in the near future!



*Fran is a "getter done type gal"*

## REALTOR NEWS WHY ALL OPEN HOUSES ARE NOT ALIKE!

An open houses is a great opportunity to see and get the "feel of the house that you may want to purchase or rent. You have the chance to view the home, talk to the real estate agent and decide if this is the home for you.

The downside? Typically an open house is run by one lonely agent showing the one property that they want to market the most. And an open house for rental properties? It's unheard of ... until now !!! At L.

Cramer & Associates we do things differently. When we conduct open houses, we typically advertise 6-8 homes, both for sale and rent. All of our homes are "cross-referenced". This means that if a client goes to one of our homes, they will see information on the rest of our open houses- with maps to get them there! And we encourage prospective clients to come to our homes first by having a raffle where the winner gets reduced move-in or closing costs.

That is why all open houses, like property managers and realtors are not alike, and stands alone in providing innovative ways to market your home! Please don't forget to visit our web site @ [www.propertymanagementleasing.com](http://www.propertymanagementleasing.com) to see all the great homes that we have for sale or lease. Because whether you want to buy, sell or rent the team at L. Cramer & Associates is the team that that you can depend on!

Until next time, Alex Reichert.



Alex H. Reichert Licensed Realtor. Give Alex a call with any questions 866-540-3478. 239-265-8900 or [ccflhomes@aol.com](mailto:ccflhomes@aol.com)

L. CRAMER &  
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**Property Management**

**R E A L T O R N E W S**

Thinking about purchasing an investment property? Nancy has the following homes available:

NE 13<sup>th</sup> Place, Cape Coral – new 3 bedroom + den/2 bath/2 car garage with lanai on corner lot.....\$262,900

NW 26<sup>th</sup> Street, Cape Coral – 3 bedroom + den/2 bath/2 car garage  
.....  
\$259,000

NE 7<sup>th</sup> Avenue, Cape Coral – 3 bedroom/2 bath/2 car garage with lanai  
.....  
\$255,00

Teakwood Drive, Lehigh Acres – 3 bedroom/2 bath/2 car garage with lanai and leased until July 2006..... \$254,900

28<sup>th</sup> Street SW, Lehigh Acres – 3 bedroom/2bath/2 car garage on oversized lot ..... \$244,900

If you have any questions, please contact Nancy Moore directly by phone at (239) 292-5132 or email at [ndmoore49@aol.com](mailto:ndmoore49@aol.com) or at L. Cramer & Associates, (239) 540-3478. or 866-540-3578



**L. Cramer & Associates Realtors are here to help you, so give them a call for all your real estate needs**