

THE NATION'S HOUSING

'Move up' tax credit doesn't require much of a move

HARNEY, FROM E1

In fact, homeowners who plan to downsize may prove to be significant users of the credit, along with people who are relocating because of employment changes.

If you fit the criteria and are considering buying another home sometime in the coming year, you might want to speed up the process and sign a contract by April 30 and close by the June 30 expiration date. Think of it this way: If the government is willing to give you \$6,500 to act a little faster than you had originally planned, hey, why not?

Some other key features of the \$6,500 credit:

- Whatever you intend to purchase, the home cannot cost more than \$800,000.
- The replacement home must become your main residence. There is no requirement in the legislation that you sell your current home. You could rent it out, turn it into a second home or list it for sale later in 2010 when prices might be higher. If you plan to retain it, however, make sure you move into the new house on the day you close so that there is no question it was your principal residence at that time.

- Like the first-time-buyer credit, the \$6,500 version permits a broad range of dwelling types for your purchase. These include newly constructed or existing single-family homes, condominiums, manufactured or mobile homes, and boats that function as your principal residence. You cannot claim the credit if you are buying a second home or an investment property.
- The Internal Revenue Service is required by Congress to scrutinize claims — both the \$6,500 and the \$8,000 variety — far more closely in the coming months than it did earlier this

year. This is because federal investigators have documented significant instances of fraud — supposed home buyers who were actually minors as young as 4 and fabricated sales. Investigators also found numerous cases of technical violations, such as purchase transactions among immediate family members, which are prohibited.

The revised rules require taxpayers to submit copies of their settlement statements (HUD-1 forms), along with their requests for credits using IRS Form 5405. Congress's new rules also prohibit minors and those

who are dependents on another taxpayer's filings from claiming the credit.

● Home buyers who go to closing between Nov. 6 and Dec. 31 can claim the \$6,500 credit on their 2009 federal tax returns or amend their 2008 returns. Similarly, eligible purchasers in 2010 will be able to file for the credit on their 2009 or 2010 returns.

Talk to your tax adviser regarding timing, which may be affected by your household income applicable to a given year.

If you aren't sure whether you can make the deadlines

established for the new credit — a binding contract by April 30 and a settlement by June 30 — do not assume that Congress will provide another extension. All the political and budgetary signs point the other way, and some of the primary authors of the credit insist that this is it — no more extensions next year. Take them at their word.

For an excellent consumer resource with frequently asked questions on both the credits, go to www.federalhousingtaxcredit.com, which is sponsored by the National Association of Home Builders.

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Home, sweet home, captured on canvas

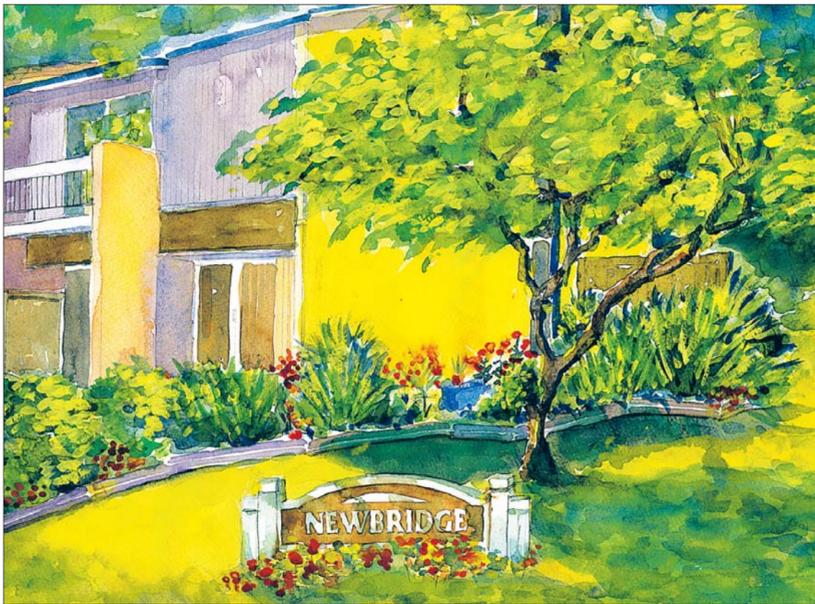
PORTRAIT CONTINUED FROM E1

said Maggie Lidz, estate historian at Winterthur in Delaware, a du Pont estate and museum known for its collection of American decorative arts. "In the 1680s, he advertised his services to 'All Noble Men and Gentlemen that please to have their Mansion Houses designed on Copper Plates,'" she said, citing an art history text.

Her upcoming book, "The du Ponts: Houses and Gardens in the Brandywine 1900-1951," is illustrated with varied images of that wealthy family's homes, including the cover image, a 1935 painting by Nicolas de Molas of the grounds and house at Eleutherian Mills, a du Pont home for generations.

In the Victorian era, there was "a fad" for watercolor albums of houses, followed by one of its garden, then paintings of each of the rooms, often in realistic detail. Victoria had albums made of all of her palaces, Davidson said. She gave copies to her children as they moved away to marry royalty elsewhere in Europe.

Generally, the albums consisted of a watercolor of the exterior of the house, followed by one of its garden, then paintings of each of the rooms, often in realistic detail. Victoria had albums made of all of her palaces, Davidson said. She gave copies to her children as they moved away to marry royalty elsewhere in Europe.



A Reston townhouse painting, commissioned by the homeowners association for an outgoing president.

Less-regal families emulated her, often with albums painted by amateur female artists. (Painting watercolors was considered a proper occupation for a Victorian woman with artistic talent.) Such albums "were particularly popular in the 19th century for several

reasons, but I think the most important has to do with consumption," Davidson said. "It was a period of increasing wealth; people were very proud of their possessions. They wanted to have the things they owned, wore, the rooms they inhabited document-

ed." Today, artists who paint house portraits regularly exhibit at local art fairs. Many showcase their portfolios on the Web, in a variety of media, styles and prices.

Shawen, the Falls Church artist, estimated that he has memorialized 300 to 350 homes in the past 10 years. For prices beginning at \$130, he sketches a house in pen and ink, then overlays a watercolor wash. The black-and-white image is suitable for note cards, the 9-inch-by-12-inch color one for framing and hanging, often over a fireplace.

His work is usually local, so he'll visit a house, but he relies mostly on photos. "I have stood in the middle of Route 7 and tried to draw townhouses, but it's a very unnerving experience," he said.

Customers include people who desire a memento of a family home they are leaving, spouses in search of a meaningful gift and real estate agents who want to offer customers something besides a bottle of champagne at closing. "It really is a nice, kind of personal gift," he said.

When Liz Long sold her parents' long-time home after the death of her mother in 2007, real estate agent Gary H. Ditto presented her with a watercolor painted by Montgomery County artist Debra Halprin. The family had owned the Kensington rambler since 1972. Long grew up there, and her two children spent a lot of time at the house with their grandparents.



Artist Joe Snyder exhibits his cityscapes at Eastern Market.

Daughter Allison, then 10, was "profoundly saddened" by the death of her beloved grandmother and somewhat angry about the sale of the house, Long recalled. The girl pleaded to have the painting, which now hangs over her bed. "It's a beautiful, beautiful painting, and so meaningful to us," Long said.

Halprin and Ditto, who works out of Long & Foster's Bethesda Gateway office, met about five years ago when Halprin was exhibiting her work at Kensington's town art show. Ditto has become a steady customer. As a real estate agent, he said, he wants people to value his services, and the emotions the paintings generate do that.

Although Ditto will usually provide Halprin with photos of a house, most of the time she visits it and takes her own photos, with an eye to light, shadows and composition — "what makes a painting really pop." She then paints in watercolor, on paper or canvas. Especially when Ditto is in a hurry to make a closing, she can finish a painting in two or three 10-hour days. Prices begin at \$450 for a 12-inch-by-16-inch painting.

Silver Spring artist Carol Porter, a former Washington Post designer, said a house portrait generally takes two to three weeks, beginning with conversations with the owners about what they envision. Do they want just the front exterior? Perhaps a view from the back garden? They will review her portfolio to discuss colors and use of light. A finished watercolor averages about \$500, depending on the size.

Porter takes her own photos, which are the basis of a preliminary "value study," a full-size black-and-white rough image. She then consults with the owners about what they want added, deleted or changed.

"It's not an architectural rendering. It's a painting, a representation," she said.

Charlie Hurt, a New York Post writer who lives on Capitol Hill, commissioned local artist Joe Snyder to paint his two-story brick Victorian. "It's funny, it's not something I would have thought I would have ventured into," he said.

But Hurt was drawn to the prints of cityscapes that Snyder exhibits at Eastern Market. The artist, who used to be an architect, describes those colorful views as "essentially the non-federal city — the places people live."

Hurt bought some of those prints before he and his wife, Stephanie, decided to hire Snyder to capture their house, which is no grand mansion. "It was a fixer-upper when we bought it 10 years ago, and it remains a fixer-upper," he said. A long-ago "vomit yellow" paint job is slowly chipping off the brick.

Snyder said that in his paintings, which sell for \$600 and up, he aims to capture what owners feel is important about their house, while following the medical maxim to "first, do no harm."

If paint is chipping, for instance, "I have gone out of my way to show charm." In the picture of the Hurt house, the paint comes across as a mottled red-and-yellow facade, accented by a bright pink blooming crape myrtle.

"He did a perfect job of capturing the house the way it feels to us," Hurt said.

The most important thing in commissioning a house portrait, he said, is to find an artist whose work appeals to you. "You have to like the artist in order to do it," he said. "Otherwise, take a picture of your house and be done with it."

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