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February 2021

A Note from Ann:

WOW! Look at the chart below. Our inventory is at never-before-seen lows! We presently have 48 Active Residential Listings in the Bastrop Area (including Mobile Homes, duplexes, etc). Our norm this time of year should be around 160ish. That's one-fourth of what we normally have to sell from. What that means is an EXTREME Seller's Market. It seemed like it was coming back for a bit, but now that stopped with the last Coronavirus scare. What this means to you is if you need to buy a home, come with plenty of cash in hand as you're going to have to compete with multiple offers, meaning it will sell for over list price, will most likely not appraise and you'll have to make up the

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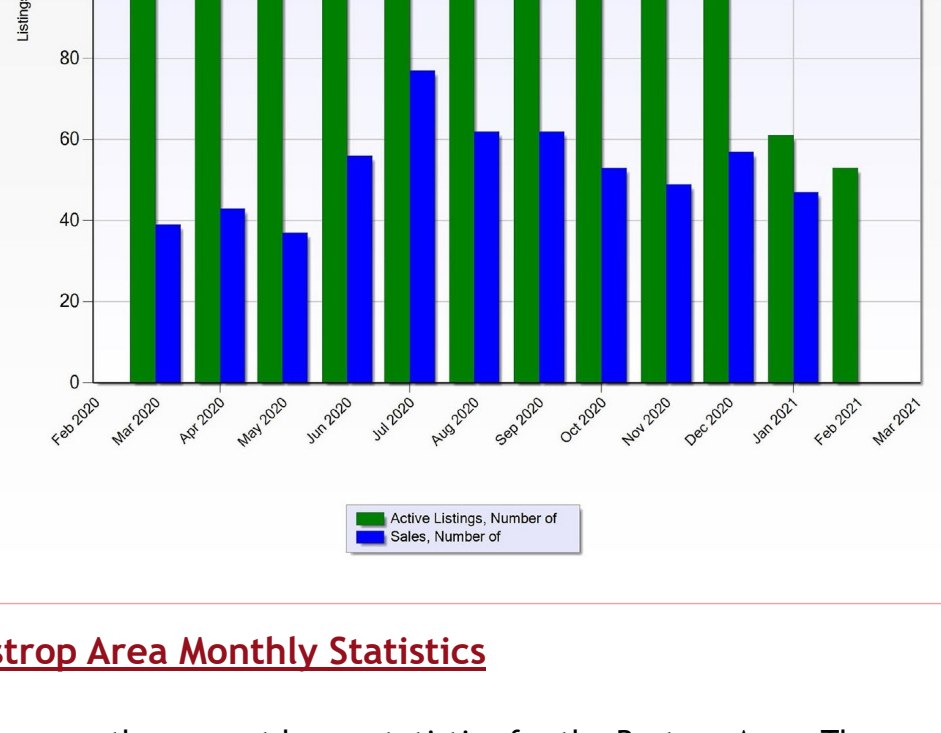
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difference. Also it means that FHA, VA, and USDA loans will most likely be overlooked by the sellers in a multiple offer situation as a Conventional loan is less stringent on the repairs.

On the other hand, if you're looking to sell, now is the time!!! However, beware that we're hearing this all over the state, it's not just here that we have a shortage of inventory, so you will need to be prepared in your new purchase to face the multiple offer situation as shown above.

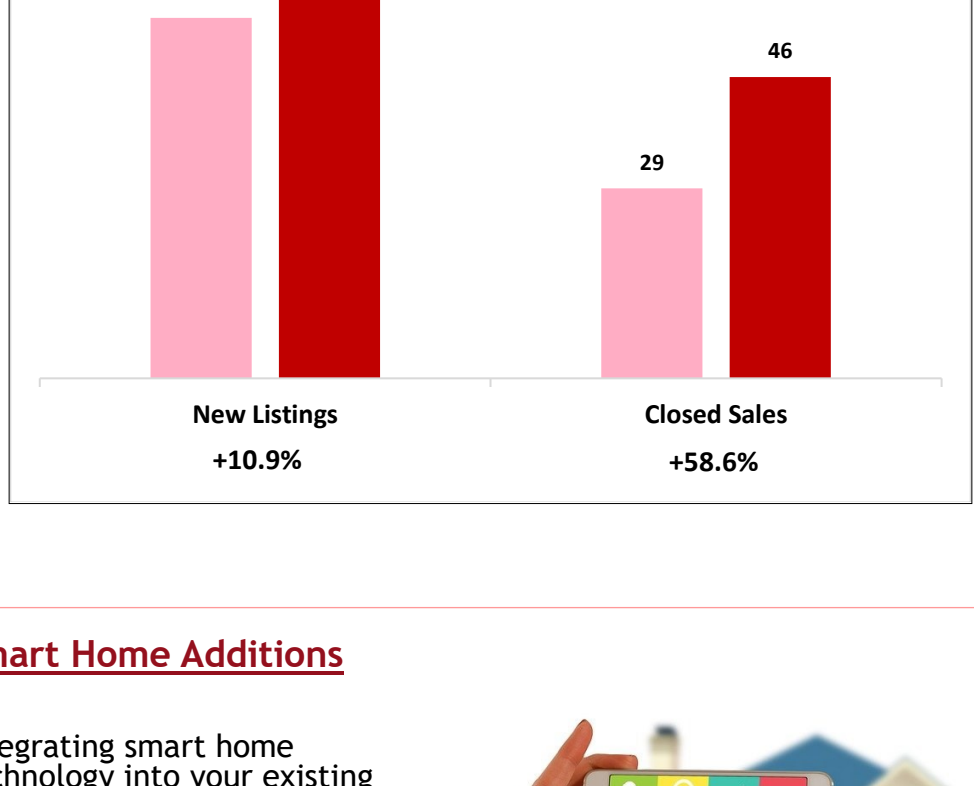
I keep hoping with the warmer weather, the Covid vaccination and numbers (now) going down we will get more listings. Until that happens, it's very frustrating for all parties (except the seller!) as there's just no homes to show or sell! Hang in there, we'll get through this too. It can't stay this way forever! As always, let me know if there's anything I can do to help.

Number of Active vs Sold Listings



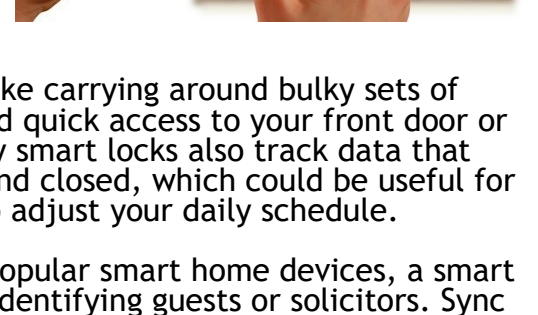
Bastrop Area Monthly Statistics

Below are the current home statistics for the Bastrop Area. The average home sale price for January was \$272,238, which is up 6.1% from the previous year.



Smart Home Additions

Integrating smart home technology into your existing property is a smart move. Upgrading certain features of your home can result in increased efficiencies and cost savings down the line. Here are a few additions you can consider for your home



Smart Lock: For those who don't like carrying around bulky sets of keys, smart locks allow for easy and quick access to your front door or any other room in your home. Many smart locks also track data that indicates when doors are opened and closed, which could be useful for families with children or helping to adjust your daily schedule.

Smart Doorbell: One of the most popular smart home devices, a smart doorbell has a built-in camera for identifying guests or solicitors. Sync your doorbell camera with your phone and you can see who's visiting even when you're out and about.

Smart Lighting: Useful in a variety of ways, consider adding smart lighting to your home. You can make your home more energy efficient by turning lights on/off remotely, and you can even set timers for turning on your lights during certain hours of the day while you're away at work or on vacation, helping to keep your property secure.

Smart Thermostat: Fine tune the temperature in your home with a smart thermostat. These devices can be set to automatically change the temperature throughout the day to make your home more comfortable and energy efficient. Many devices also have temperature recognizing sensors that can adjust your heating or air conditioning without your having to lift a finger.

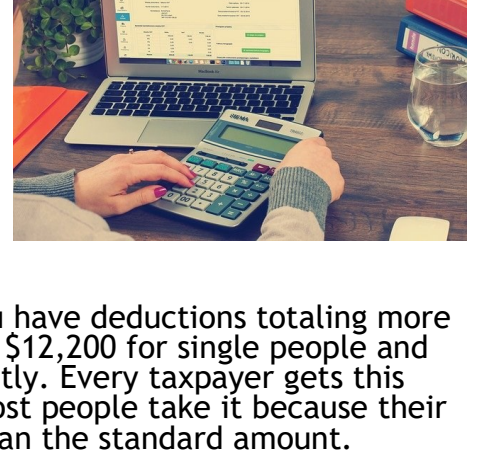
Smart Smoke Detector: A great safety tool, a smart smoke detector can help keep you and your family safe by sending alerts to your phone if it detects a fire. They also allow you to "hush" your alarm if it's simply a burnt piece of toast—You'll never have to stand below your smoke detector waving a towel to clear smoke again!

Are Closing Costs Tax Deductible?

By: Leanne Potts

Here's the scoop on what's tax deductible when buying a house.

The answer to whether closing costs are tax deductible — or mortgage interest and property taxes for that matter — is, maddeningly, "It depends."



Basically, you'll want to itemize if you have deductions totaling more than the standard deduction, which is \$12,200 for single people and \$24,400 for married couples filing jointly. Every taxpayer gets this deduction, homeowner or not. And most people take it because their actual itemized deductions are less than the standard amount.

But should you take it?

To decide, you need to know what's tax deductible when buying or owning a house. Here's the list of possible deductions:

Closing Costs

The one-time home purchase costs that are tax deductible as closing costs are real estate taxes charged to you when you closed, mortgage interest paid when you settled, and some loan origination fees (a.k.a. points) applicable to a mortgage of \$750,000 or less.

But you'll only want to itemize them if all your deductions total more than the standard deduction.

Costs of closing on a home that aren't tax deductible include:

- Real estate commissions
- Appraisals
- Home inspections
- Attorney fees
- Title fees
- Transfer taxes
- Mortgage refi fees

Mortgage interest and property taxes are annual expenses of owning a home that may or may not be deductible. Continue reading to learn more about those.

Mortgage Interest

Yearly, you can write off the interest you pay on up to \$750,000 of mortgage debt. Most homeowners don't have mortgages large enough to hit the cap, says Evan Liddiard, CPA, director of federal tax policy for the NATIONAL ASSOCIATION OF REALTORS®. But people who live in pricey places like San Francisco and Manhattan, or homeowners anywhere with hefty mortgages, will likely maximize the mortgage interest deduction.

Note: The \$750,000 cap affects loans taken out after Dec. 17, 2017. If you have a loan older than that and you itemize, you can keep deducting your mortgage interest debt up to \$1 million. But if you refi that loan, you can only deduct the interest on the amount up to the balance on the day you refinanced - you can't take extra cash and deduct the interest on the excess.

Home Equity Loan Interest

You can deduct the interest on a home equity loan or a second mortgage. But — and this is a big but — only if you use the proceeds to substantially improve your house, and only if the loan, combined with your first mortgage, doesn't add up to more than the magic number of \$750,000 (or \$1 million if the loans were existing as of Dec. 15, 2017).

If you use a home equity loan to pay medical bills, go to Paris, or for anything but home improvement, you can't write off the interest on your taxes.

State and Local Taxes

You can deduct state and local taxes you paid, including property, sales, and income taxes, up to \$10,000. That's a low cap for people who live in places where state and local taxes are high, says Liddiard. To give you an idea of how low: The average amount New Yorkers have taken in state and local tax deductions in past years is about \$22,000.

Loss From a Disaster

You can write off the cost of damage to your home if it's caused by an event in a federally declared disaster zone, like areas in Florida after Hurricane Michael or Shasta County, Calif., after a rash of wildfires.

This means standard-variety disasters like a busted water pipe while you're on vacation or a fire caused because you left the toaster on aren't deductible.

Moving Expenses

This deduction is also only for some. You can deduct moving expenses if you're an active member of the armed forces moving to a new station.

And by the way, no matter who you are, if your employer pays your moving expenses, you'll have to pay taxes on the reimbursement. "This will be a real hardship to have to pay it's non-cash income," says Liddiard. Some employers may up the gross to provide cash to pay the tax, but many likely will not.

Home Office

This is a deduction you don't have to itemize. You can take it on top of the standard deduction, but only if you're self-employed. If you are an employee and your boss lets you telecommute a day or two a week, you can't write off home office expenses. You claim it on Schedule C.

Student Loans

Anyone paying a mortgage and a student loan payment will be happy to hear that the interest on your education loan is tax deductible on top of the standard deduction (no need to itemize). And you can deduct as much as \$2,500 in interest per year, depending on your modified adjusted gross income.

Ways to Increase Your Eligible Deductions

There are some other costs that can be itemized not related to being a homeowner that could bump you up over the standard deduction. This might allow you to write off your mortgage interest. Charitable contributions and some medical expenses can be itemized, although medical expenses must exceed 7.5% of your adjusted gross income.

So if you've have had a hospital stay or are generous, you could be in itemized-deduction land.

Also, if you're a single homeowner, it could be easier for you to exceed the standard deduction, Liddiard says. The itemized deductions on your house will probably more quickly break the \$12,000 standard deduction threshold than a couple's similar house will break their \$24,000 threshold.

Tax-Savvy Home-Buying Ideas

If you're a prospective homeowner with an eye to making the most efficient use of your tax benefits, here are a few ways to buy smart:

- Especially in expensive areas, buy a less expensive home so you don't hit the cap on mortgage debt and local and property taxes, says Lisa Greene-Lewis, a CPA and tax expert for TurboTax.
- If you're buying a higher price home, make a bigger down payment so your original mortgage doesn't exceed the \$750,000 cap.

How to Decide If You Should Itemize

To see whether you should consider itemizing, plug your numbers into this clever tool from TurboTax, and you'll get their recommendation in just a few seconds.

Though every homeowner's tax benefits will be a little different, in the end, you're building equity, you'll likely make money when you sell, and you have the freedom to paint your walls any color you want and get a dog.

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