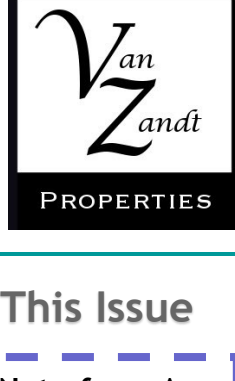




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# June 2021

## A Note from Ann:

### What are Rollback Taxes?

If you have land, or are purchasing land that is presently receiving reduced taxes for the Agricultural Exemption and are planning on changing the use of that land, you may be required to pay Rollback Taxes. The exception to that rule is if you are going to build a home that is going to be used for a personal Homestead. Note, 2nd homes would not qualify and would be charged the rollback tax. The property owner who changes the land use will be responsible for the Rollback Taxes. The additional due would be the difference between what would have been paid if the property were taxed at the higher value for the past 3 years + a 5% Interest fee per year. There are exceptions to the rule (Churches, Non-Profit, etc.), please check with the County Agricultural District for specifics on these.

The market is still crazy. We're still seeing an influx of Investors and Out-of-State buyers raising the sales prices and producing multiple offers. I'm hoping the investors will taper off (how many can there be really?!) and allow more listings to hit the market for those buyers that need the homes! Hang in there! This can't go on forever!

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- Bastrop Area Monthly Statistics
- Around Town—Events
- Tips for Maintaining Your Deck
- Understand What Goes into House Prices in a Competitive Market

## Bastrop Area Monthly Statistics

Below are the current home statistics for the Bastrop Area. The average home sale price for May was \$379,257, which is up 35% from the previous year. The average home sale price for 2021, so far, is \$314,483, which is up 17.8% from 2020.



## Around Town



### Upcoming Events

#### June 10th—Sip, Shop, Stroll Elgin

Sip a little wine and shop as you stroll through the stores in Historic Downtown Elgin from 5pm to 8pm. You will find diverse merchandise, eclectic décor, artwork by local artists, Elgin Farmers Market, delicious food, live music and fun, friendly people. For more information, [click here](#).

#### June 11th - June 26th—Wicked Summer Monster Bash

Come out to the unique summer experience that is Scream Hollow, every Friday and Saturday. Enjoy the only haunted hayride in Texas, along live bands, two bars, and two cafes at nighttime, all in the beautiful outdoors of central Bastrop County. To purchase tickets, [click here](#).

#### June 18th—Luna Market 2021 - Summer Moon

Come outside and enjoy the nearly full Strawberry Moon at Elgin Memorial Park in historic downtown Elgin from 6pm to 9pm. Showcasing local women artists & makers, local food, and entertainment, with a little bit of theater and whimsy. For more information, [click here](#).

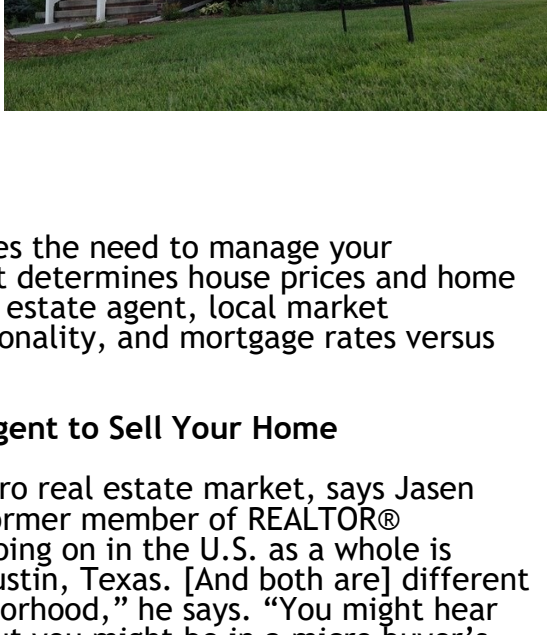
#### June 24th - June 26th—Western Days 2021

The 52nd annual Western Days Festival will be held in historic Elgin, Texas. The week is packed full with fun activities for all ages with most activities on Saturday. Saturday, June 26, aka “Grand Finale Day” is filled with fun for the whole family including a parade, carnival, and volleyball, horseshoes, washers and softball tournaments. Also enjoy arts & craft vendors and food galore! Live entertainment will be provided throughout the afternoon. The parade will begin at 10 a.m. Saturday morning. Festival events also begin at 10 a.m. and go until 6 p.m. in Memorial Park on Main Street. Admission is free. For more information, [click here](#).

## Understand What Goes into House Prices in a Competitive Market

By: Erika Christoffer

Even in a seller’s market, home sales depend on certain factors that may require you to be flexible.



You may be selling a home in a competitive market — for example, with low inventory and high demand. And you may be thinking “Yay!” or at least “Whew.” You know you’re likely to have more interested buyers, better offers, and a quicker trip to contract than you’d have otherwise.

But along with that good news comes the need to manage your expectations by understanding what determines house prices and home sales. Factors include the right real estate agent, local market conditions, buyer preferences, seasonality, and mortgage rates versus inventory.

### Work with the Right Real Estate Agent to Sell Your Home

House prices come down to the micro real estate market, says Jason Edwards, a real estate coach and former member of REALTOR® magazine’s 30 Under 30. “What’s going on in the U.S. as a whole is different than what’s going on in Austin, Texas. [And both are] different than what’s going on in your neighborhood,” he says. “You might hear that it’s a strong seller’s market, but you might be in a micro buyer’s market.”

Edwards advises researching your market on your own, then interviewing real estate professionals to find the best person to work with. Sellers should approach working with an agent as though they’re forming a team. You’ll be creating a plan together on how to maximize home pricing, Edwards says.

Bernadette Inez and her broker created such a team. Inez, who had lived in the same southwest Chicago home for 26 years, needed to sell last fall when she was going through a divorce. She wanted a real estate professional who could give her strong guidance in determining an asking price.

Inez learned about Erika Villegas, managing broker and co-owner of RE/MAX In The Village in Oak Park, Ill., through Villegas’ community sponsorships and networking events. After an initial consultation, Inez hired Villegas to list her home.

### Consider Local Market Conditions that Affect House Prices

Villegas did a hyper local market analysis and found the price of houses similar to Inez’s to be about \$229,000. She recommended listing at \$239,900, mainly because of the area’s lack of inventory and extremely low days on market. It was the right call. The house had 35 showings in the first 48 hours and generated five offers at \$10,000 above the asking price.

Sometimes home improvements are needed to maximize the price. When Inez decided to put her home on the market, she opted to do some updates to appeal to more buyers. The 1950s tile in one of her bathrooms was showing its age, so she hired a contractor to install a vinyl covering. She hired someone to reglaze the tub in her other bathroom and replace all faucets, including in the kitchen. She also repainted her living room.

### Think about Buyer Preferences that May Affect Your Home Pricing

In addition to home condition, other factors, including buyer preferences, affect price. Being located on a busy street or alley, for instance, may deter some buyers.

“I put myself in the buyers’ shoes [about] what they’re seeing in the home,” Villegas says. “For instance, many are home schooling right now. That is knowing which features buyers want in a home.”

### Know that Seasonality May Be a Factor

Seasonality has historically been a factor, but 2020 was an exception, when strong home sales extended into late fall and early winter. Existing-home sales in November were up almost 26%, and sales prices nearly 15% from the previous year, according to the National Association of REALTORS®. Transactions and house prices nationwide traditionally trend up in the summer, when home shopping activity is high. They slow in the winter, when demand wanes. Demand also correlates with Americans’ higher mobility rates in the summer, when school is out. However, seasonality is also regional, with markets in the Northeast and Midwest peaking more significantly in the summer than the South and West, NAR reports.

“Listed homes have been going under contract on average at less than a month due to a backlog of buyers wanting to take advantage of record-low mortgage rates,” says Lawrence Yun, NAR’s chief economist.

### Weigh Mortgage Rates Against Inventory

Low interest rates can of course make purchasing a home more affordable for buyers. However, the lack of homes on the market has created stiff competition among buyers. In fact, it often puts them in bidding wars, nullifying the benefit of the low rates. According to Redfin, record low interest rates have increased home buyers’ purchasing power by 6.9%. But higher home prices have cancelled out the effect.

In multiple offer situations, Villegas creates a spreadsheet outlining the terms and pricing of each offer for her clients. She then calls the loan officers of the potential buyers to make sure their information has been verified. After that, Villegas goes through each offer one by one with her sellers. Together, they evaluate which one is not only the best, but also the most secure. She also helps her sellers prepare for the appraisal by creating a list of the home’s updates from the past few years.

### Why You May Need to Be Flexible

Flexibility is a plus, even when circumstances seem to favor sellers. Low inventory and aggressive house prices are compromising many buyers’ ability to afford a home. Sellers should be prepared to make adjustments if necessary.

“No one has a crystal ball,” says Edwards. Ideally, the seller should list at a price that gets attention and triggers a lot of interest, he adds. When buyers are continuing to take advantage of ultra-low interest rates, a seller’s market will remain in areas with sought-after price points and a low inventory of homes for sale.

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