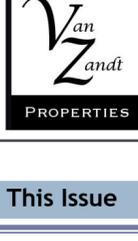




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January 2017

A Note from Ann:

I hope everyone had a great Holiday! Looking at the statistics below, the Bastrop County area has seen outstanding increases in home values over the past year. In fact, this is 2 years in a row now we've had a 9.5% increase in the average home price. Meaning, you could have an increase in your homes value of 19% over the past two years! That's great news! The Fed's did raise interest rates ¼ point in December, but they are still hovering below 4% (for a Conventional 30 year loan), which is still a great interest rate. They anticipate raising it more throughout 2017, so if you are fence-sitting about buying a home, now is the time.

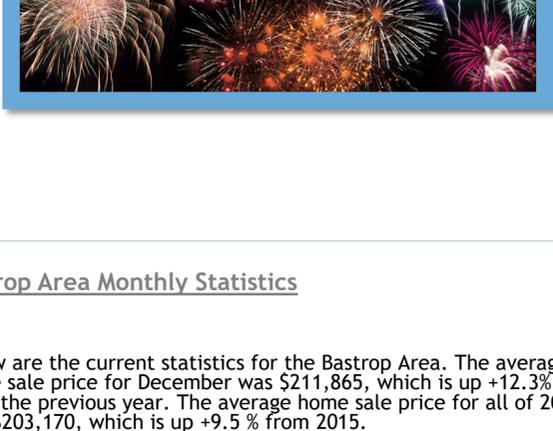
Uncertainty abounds nationwide, with the changing of the guard at the Presidential (and many other) levels. Even so, our local markets remain strong and this area should continue to see growth and increasing values for the near future. We are in such a unique position with the Austin "overflow" moving in our direction due to moderately priced homes and booming commercial growth.

We've started a new Video Library on our website. I hope to cover all areas of real estate to answer any questions you may have. We're just getting started and only have 2 so far, but we're working on making that another avenue to educate both buyers and sellers alike. We welcome any ideas you may have for videos. Have an unanswered question about real estate, let us know! Our latest video addresses Buyer's Representation. Many buyers are of the opinion that if they cut out the buyer's agent they can buy the home at a better price (i.e. seller not having to pay buyers agent); find out why this is not true and why you should have someone looking out for your best interests (which is free to you). [Click here to watch now!](#)

I hope you'll remember me when speaking to family and/or friends with real estate needs, my business is based on referrals. We'd also be happy to add anyone with interest to the newsletter, just send us the info. Wishing you all a joyous and prosperous new year!

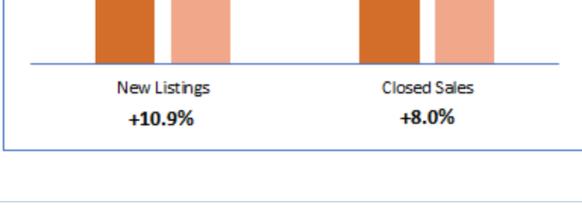
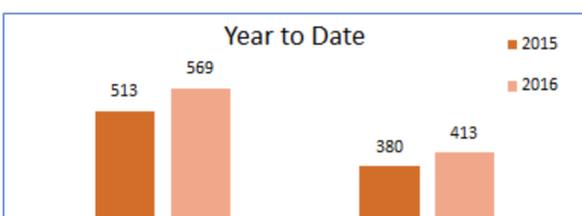
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- A Note from Ann
- Bastrop Area Monthly Statistics
- Around Town/Upcoming Events
- A Fresh Start
- 9 Easy Mistakes Homeowners Make on Their Taxes
- Shaping Up At Home



Bastrop Area Monthly Statistics

Below are the current statistics for the Bastrop Area. The average home sale price for December was \$211,865, which is up +12.3% from the previous year. The average home sale price for all of 2016 was \$203,170, which is up +9.5% from 2015.



Around Town



Upcoming Events

January 16th - Bastrop County Martin Luther King Holiday Walk

The annual Bastrop County Martin Luther King Holiday Commission Walk is in Elgin this year. The walk begins downtown at 10 a.m. A reception will follow the event.

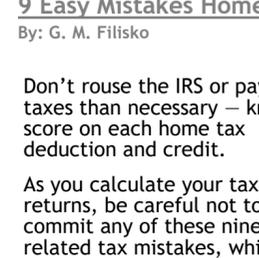
January 21st - Family Crisis Center Annual Dinner & Dance Gala

Dust off your platforms and polyester! It's time for the Family Crisis Center's Annual Dinner & Dance Gala, this year's theme is Bringing Back The 70's! The evening's events will include a social hour, steak dinner with all the trimmings, and live music provided by The Triumphs who will take the stage at 8:00 pm to rock the night away. Costume and dance contest with prize's for the winners; Live & Silent auction and raffle chances. For more information, [click here.](#)

A Fresh Start

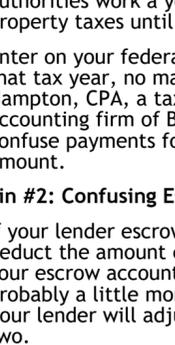
Most New Year's resolutions involve promises to fit into last year's suit and to avoid the fast-food lane. But don't let your self-improvement list end there. These home improvement tips, suggested by About.com, can help make your home safer and healthier in the New Year.

Safety First



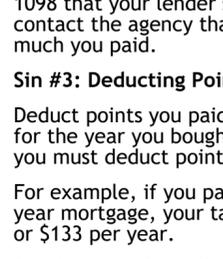
Make this the year to be truly prepared by creating a household emergency kit. Pack it with first aid supplies, a working flashlight, batteries, extra blankets, a can opener and some nonperishable food. Also take the time each month to make sure your smoke alarms and carbon monoxide detectors are working. Purify the air in the home by swapping out furnace filters every month, and burn real firewood rather than mass-produced logs to avoid potentially harmful chemicals.

Throw it Away



De-clutter your life one room at a time. Start with the kitchen: Toss and recycle containers that have long since lost their matching lids, and pare down small appliances to the ones you use most often. Then head to the bathroom and dump half-used bottles of shampoo or face wash that have gone unused in the past six months to clear up space. Finish in the living room by consolidating or recycling old magazines or newspapers.

Invest Wisely

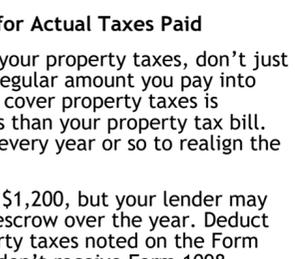


Is your refrigerator on its last legs? Saving money to update or replace aging appliances should be on every homeowner's mind. By saving a small amount each week — say \$10 or \$20 — homeowners can work toward a specific goal, such as a purchasing a more energy-efficient washer and dryer set. When deciding what to buy, be sure to research any potential cost-saving tax benefits, too. from keeping cool.

9 Easy Mistakes Homeowners Make on Their Taxes

By: G. M. Filisko

Don't rouse the IRS or pay more taxes than necessary — know the score on each home tax deduction and credit.



As you calculate your tax returns, be careful not to commit any of these nine home-related tax mistakes, which tax pros say are especially common and can cost your money or draw the IRS to your doorstep.

Sin #1: Deducting the Wrong Year for Property Taxes

You take a tax deduction for property taxes in the year you (or the holder of your escrow account) actually paid them. Some taxing authorities work a year behind — that is, you're not billed for 2013 property taxes until 2014. But that's irrelevant to the feds.

Enter on your federal forms whatever amount is on your actual bill. Dave Hampton, CPA, a tax department manager at the Cincinnati accounting firm of Burke & Schindler, has seen homeowners confuse payments for different years and claim the incorrect amount.

Sin #2: Confusing Escrow Amount for Actual Taxes Paid

If your lender escrows funds to pay your property taxes, don't just deduct the amount escrowed. The regular amount you pay into your escrow account each month to cover property taxes is probably a little more or a little less than your property tax bill. Your lender will adjust the amount every year or so to realign the two.

For example, your tax bill might be \$1,200, but your lender may have collected \$1,100 or \$1,300 in escrow over the year. Deduct only \$1,200 or the amount of property taxes noted on the Form 1098 that your lender sends. If you don't receive Form 1098, contact the agency that collects property tax to find out how much you paid.

Sin #3: Deducting Points Paid to Refinance

Deduct points you paid your lender to secure your mortgage in full for the year you bought your home. However, when you refinance, you must deduct points over the life of your new loan.

For example, if you paid \$2,000 in points to refinance into a 15-year mortgage, your tax deduction is \$2,000 divided by 15 years, or \$133 per year.

Sin #4: Misjudging the Home Office Tax Deduction

The deduction is complicated, often doesn't amount to much of a deduction, and has to be recaptured if you turn in a profit when you sell your home, and can be pique the IRS's interest in your return.

But there's good news. There's a new simplified home office deduction option if you don't want to claim actual costs. If you're eligible, you can deduct \$5 per square foot up to 300 feet of office space, or up to \$1,500 per year.

Sin #5: Failing to Repay the First-Time Homebuyer Tax Credit

If you used the original homebuyer tax credit in 2008, you must repay 1/15th of the credit over 15 years.

If you used the tax credit in 2009 or 2010 and then within 36 months you sold your house or stopped using it as your primary residence, you also have to pay back the credit.

The IRS has a tool you can use to help figure out what you owe.

Sin #6: Failing to Track Home-Related Expenses

If the IRS comes a-knockin', don't be scrambling to compile your records. File or scan and store home office and home improvement expense receipts and other home-related documents as you go.

Sin #7: Forgetting to Keep Track of Capital Gains

If you sold your main home last year, don't forget to pay capital gains taxes on any profit. You can typically exclude \$250,000 of any profits from taxes (or \$500,000 if you're married filing jointly).

So if your cost basis for your home is \$100,000 (what you paid for it plus any improvements) and you sold it for \$400,000, your capital gains are \$300,000. If you're single, you owe taxes on \$50,000 of gains.

However, there are minimum time limits for holding property to take advantage of the exclusions, and other details. Consult IRS Publication 523. And high-income earners could get hit with an additional tax.

Sin #8: Filing Incorrectly for Energy Tax Credits

If you made any eligible improvements in 2015 and 2016, such as installing energy-efficient heating and cooling system, you may be able to take a 10% tax credit, up to \$500. With some systems your cap is lower than \$500. For instance, you can only claim \$200 on windows. But keep in mind, this is a lifetime credit. If you claimed the credit in any recent years, you're done.

Installing a solar electric, solar water heater, geothermal, or small wind energy system can also make you eligible to take the Residential Energy Efficient Property Credit.

To claim the deduction, you have to use the complicated Form 5695, which can mean cross-checking with half a dozen other IRS forms. Read the instructions carefully.

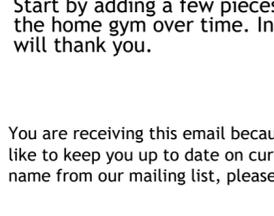
Sin #9: Claiming Too Much for the Mortgage Interest Tax Deduction

Taxpayers are allowed to deduct mortgage interest on home acquisition debt up to \$1 million, plus they can also deduct up to \$100,000 in home equity debt.

This article provides general information about tax laws and consequences, but shouldn't be relied upon as tax or legal advice applicable to particular transactions or circumstances. Consult a tax professional for such advice.

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Shaping Up at Home



A home gym may be a practical alternative for people who can't afford a club membership, are short on time or don't have access to a health club. With so many types of equipment available, it might be overwhelming to know what to buy for a home gym. These simple steps from Shape Magazine and the American Council on Exercise can guide you in the right direction.

Start by finding a location for your home gym. If you don't have a spare bedroom, basement or back porch, designate a corner of the home, such as the living room. Make the space as light and airy as possible. Natural lighting from windows and doors work best, but if there are few windows, add recessed lighting or a few lamps with soft white bulbs to provide the light you need.

Full-length mirrors on one wall can not only make the space appear larger, they can be used to monitor proper form during workouts. Bring in a few plants, such as ferns, spider plants and bamboo palms, to boost oxygen levels and naturally purify the air.

Even equipment designed for home use can take more room than you have. Equipment can take up as little as 10 square feet for a bike or 30 square feet for a treadmill, while a multi-station gym may require up to 200 square feet. If the space doesn't allow for a treadmill and multi-gym, opt for a space-saving rack of dumbbells and several easily storable items such as a jump rope, resistance bands, stability ball and yoga mat.

Start by adding a few pieces of equipment and gradually build up the home gym over time. In no time, your body and bank account will thank you.

You are receiving this email because, as a valued previous or current client, we'd like to keep you up to date on current housing and real estate news. To remove your name from our mailing list, please [click here.](#)