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## A Note from Ann:

### WE'VE MOVED!!!

We sold the building we were in and have moved the office to 304 Main Street in Smithville. The building was an investment and a great location for us. We intended to have it several more years, however, with Coronavirus and investors the decision was made to go ahead and sell. It sold much quicker than any of us anticipated! We are now in the process of setting up our new offices across the street from Blazer's Restaurant and next door to First National Bank in downtown Smithville. Give us a few weeks to get settled in and drop by to see us! Our phone number will remain the same.

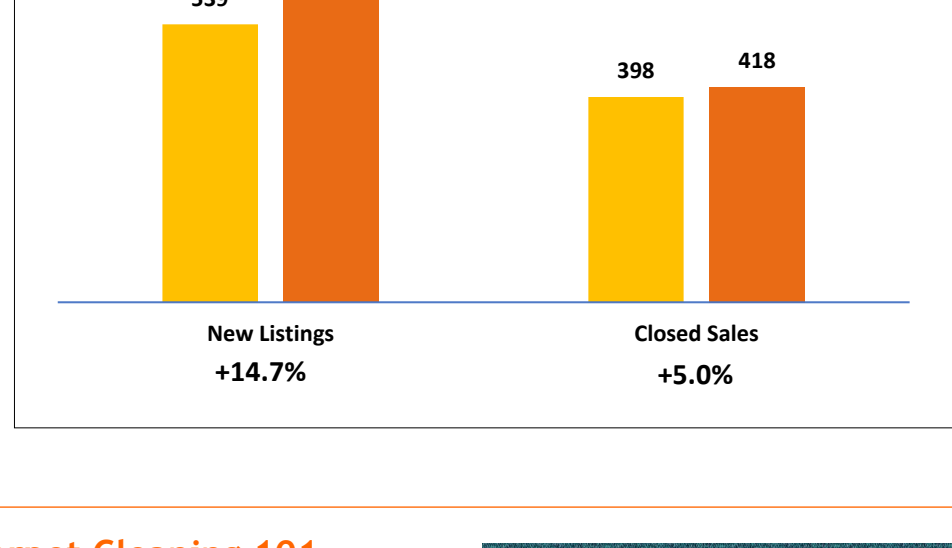
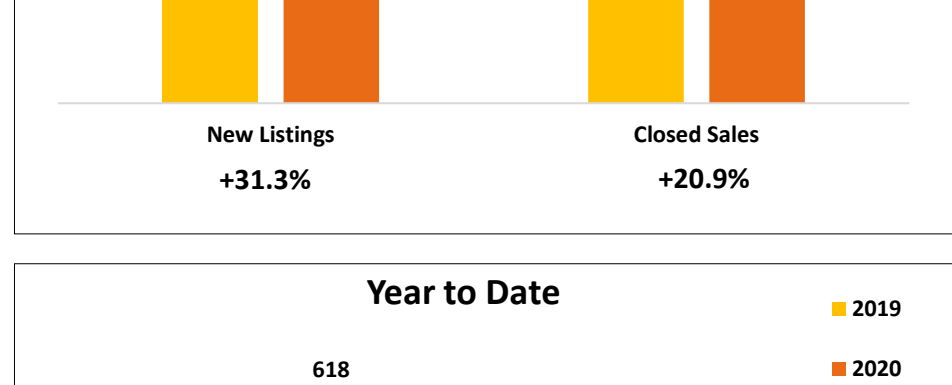
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As you can see the market is still going up, and we still have a shortage of homes on the market. Hopefully with the new Active cases going down to 112 this week (Bastrop County), we will see a relaxation of the restrictions and get homes back on the market soon! Until next month, stay safe and please know that my business works off of referrals, I would be thrilled to help any family or friends with their real estate needs!

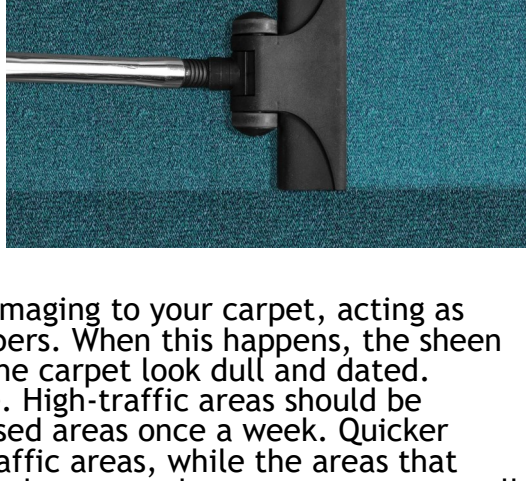
## Bastrop Area Monthly Statistics

Below are the current statistics for the Bastrop Area. The average home sale price for September was \$273,771, which is up 7.6% from the previous year. The average home sale price for 2020, so far, is \$270,519, which is up 11.8% from 2019.



## Carpet Cleaning 101

It can be a struggle to keep your carpets clean and presentable. Should you hire a professional cleaning service or take care of the maintenance on your own? Follow this advice to keep your carpet in top shape.



**Dirt and vacuuming:** Dirt can be damaging to your carpet, acting as small razor blades that shred the fibers. When this happens, the sheen of the fibers deteriorates, making the carpet look dull and dated. Vacuum regularly to avoid this issue. High-traffic areas should be vacuumed twice a week, and less-used areas once a week. Quicker passes can be made over the low-traffic areas, while the areas that people walk on frequently require at least two slow passes to ensure all grime is removed.

**Hot-water extraction:** Vacuuming helps with day-to-day cleaning, but you'll also want professional help. While a do-it-yourself (DIY) carpet washer will remove the surface level of dirt, deep cleaning will eliminate the dust, allergens and grease between the fibers. A professional carpet cleaner applies detergent to the carpets, followed by a hot-water rinse solution. Then moisture is removed with a high-powered vacuum. Use this service every 12-18 months to keep your carpet fresh.

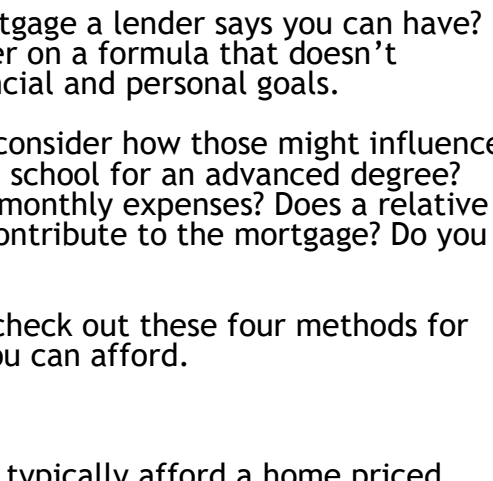
**DIY washing:** For periods in between professional cleaning, perform enhanced carpet care on your own. Here are some tips for using carpet-cleaning equipment:

- Clean your carpet before it becomes filthy.
- Pretreat stains or blemishes with detergent, and let them sit for 5-10 minutes prior to cleaning.
- Vacuum well before and after washing.
- Don't oversoak the carpet—DIY machines don't have enough suction to remove large amounts of water.
- Open your windows, and use fans and dehumidifiers to help the carpet dry when you're done.

## 4 Tips to Determine How Much Mortgage You Can Afford

By: G.M. Filisko

What's a rule of thumb to determine how much mortgage you can afford? There's no one rule, but these four tips will tell you.



Home ownership should make you feel safe and secure, and that includes financially. Be sure you can afford your home by calculating how much of a mortgage you can safely fit into your budget.

Why not just take out the biggest mortgage a lender says you can have? Because your lender bases that number on a formula that doesn't consider your current and future financial and personal goals.

Think ahead to major life events and consider how those might influence your budget. Do you want to return to school for an advanced degree? Will a new child add day care to your monthly expenses? Does a relative plan to eventually live with you and contribute to the mortgage? Do you like to travel?

Consider those lifestyle issues as you check out these four methods for estimating the amount of mortgage you can afford.

### #1 Prepare a Detailed Budget

The oldest rule of thumb says you can typically afford a home priced two to three times your gross income. So, if you earn \$100,000, you can typically afford a home between \$200,000 and \$300,000.

But that's not the best method because it doesn't take into account your monthly expenses and debts. Those costs greatly influence how much you can afford. Let's say you earn \$100,000 a year but have \$1,000 in monthly payments for student debt, car loans, and credit card minimum payments. You don't have as much money to pay your mortgage as someone earning the same income with no debts.

Better option: Prepare a family budget that tallies your ongoing monthly bills for everything -- credit cards, car and student loans, lunch at work, day care, date night, vacations, and savings.

See what's left over to spend on home ownership costs, like your mortgage, property taxes, insurance, maintenance, utilities, and community association fees, if applicable.

### #2 Factor in Your Downpayment

How much money do you have for a down payment? The higher your downpayment, the lower your monthly payments will be. If you put down at least 20% of the home's cost, you may not have to get private mortgage insurance, which protects the lender if you default and costs hundreds each month. That leaves more money for your mortgage payment.

The lower your down payment, the higher the loan amount you'll need to qualify for and the higher your monthly mortgage payment.

But, if interest rates and/or home prices are rising and you wait to buy until you accumulate a bigger downpayment, you may end up paying more for your home.

### #3 Consider Your Overall Debt

Lenders generally follow the 43% rule. Your monthly mortgage payments covering your home loan principal, interest, taxes and insurance, plus all your other bills, like car loans, utilities, and credit cards, shouldn't exceed 43% of your gross annual income.

Here's an example of how the 43% calculation works for a home buyer making \$100,000 a year before taxes:

1. Your gross annual income is \$100,000.
2. Multiply \$100,000 by 43% to get \$43,000 in annual income.
3. Divide \$43,000 by 12 months to convert the annual 43% limit into a monthly upper limit of \$3,583.
4. All your monthly bills including your potential mortgage can't go above \$3,583 per month.

You might find a lender willing to give you a mortgage with a payment that goes above the 43% line, but consider carefully before you take it. Evidence from studies of mortgage loans suggest that borrowers who go over the limit are more likely to run into trouble making monthly payments, the Consumer Financial Protection Bureau warns.

### #4 Use Your Rent as a Mortgage Guide

Use a calculator that compares renting and owning to help you see what makes sense for you.

If you're struggling to keep up with your rent, buy a home that will give you the same payment rather than going up to a higher monthly payment. You'll have additional costs for home ownership that your landlord now covers, like property taxes and repairs. If there's no room in your budget for those extras, you could become financially stressed.

Also consider whether or not you'll itemize your deductions. If you take the standard deduction, you can't also deduct mortgage interest payments. Talking to a tax adviser, or using a tax software program to do a "what if" tax return, can help you see your tax situation more clearly.

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