Your REALTOR:

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Real Estate Update

[Are Home Improvements Tax Deductible?]

There are tax implications of making home improvements, but only in specific situations. When it comes to your taxes, a home improvement might include any work done that increases the value of your home substantially, improves the useful life of the property, or creates new uses.

We'll get more into what that means specifically below.

Home Improvements vs. Repairs First, the money you spend on your home in terms of taxes can be divided into improvements and repairs.

The cost of capital improvements can be added to your tax basis in your house. Tax basis is what's subtracted from the sales price to figure out how much your profit is. With that in mind, you can only take advantage of this if you're selling your home.

A capital improvement in this context is

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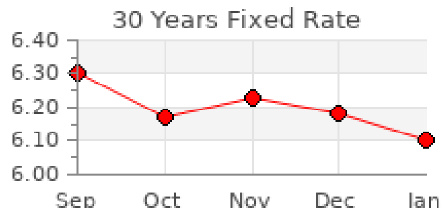
MORTGAGE RATES

U.S. averages as of February 2026:

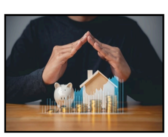
30 yr. fixed: 6.10%
15 yr. fixed: 5.49%
5/1 yr. adj: 5.49%



Wondering What Your Home Is Worth?

[Let me show you.]

[What Does It Mean to Build Equity?]



If you own a home, one of the benefits compared to renting is that each month you're making mortgage payments, so you're building an asset which is equity. Equity refers to the amount of your home that you truly own after you take into account the debt you owe.

To calculate your current equity, you should subtract your loan balance from your home's market value.

If the number is negative, then your home is worth less than what you owe on it. That means you have upside-down equity.

[Fixed Loan? Hybrid? What's the Difference?]

It's pretty much a fact that there are more home loan choices than you might think. Yeah, there are two basic types of mortgages, a fixed and an adjustable, but the choosing only starts there. With a fixed rate loan, it's fairly easy to understand. The rate stays fixed throughout the life of the loan. The only differences in fixed rates are the loan terms. Most borrowers who select the fixed route take the 30 year term. But there are other terms as well.

The second most popular loan term is the 15 year loan. In fact, when you peruse various web sites providing rate quotes, you'll typically just see a 30 and 15 year option. But there are other terms and all lenders offer them, you just have to ask. Lenders can also offer a 25, 20 and a 10 year term. You need to run the numbers with your loan officer to figure

[A Guide to the Mortgage Interest Deduction]

When you have a mortgage, there's a deduction you can take on your taxes for the interest you pay on your first $1 million of debt. If you're a homeowner who bought your home after December 15, 2017, you can deduct interest on the first $750,000 of your mortgage. If you are going to claim a mortgage interest deduction, you have to itemize your tax return.

The following is a guide to what to know about the mortgage interest deduction and how it works.

The Basics The mortgage interest deduction lets you reduce taxable income by the amount you pay on the interest of your mortgage during the year. If you have a mortgage and keep up your records, you can lower your tax bill. Generally, as mentioned, you can deduct the interest paid on the initial $1 million of your mortgage for a primary or second home. For buyers who purchased after December 15, 2017, you can deduct what you paid on the first $750,000.

What Qualifies? If you're deducting mortgage interest for your primary home, typically, the following will count:

- Your

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This is obviously not the goal. The goal is to grow your equity over time as you pay your loan. Until you pay off your mortgage, even though you're considered a homeowner, your lender still

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out which is best for you, but generally speaking, the shorter the term, the higher the payment. And as a result of the higher payment,

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- What to Expect When You Close on a House

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