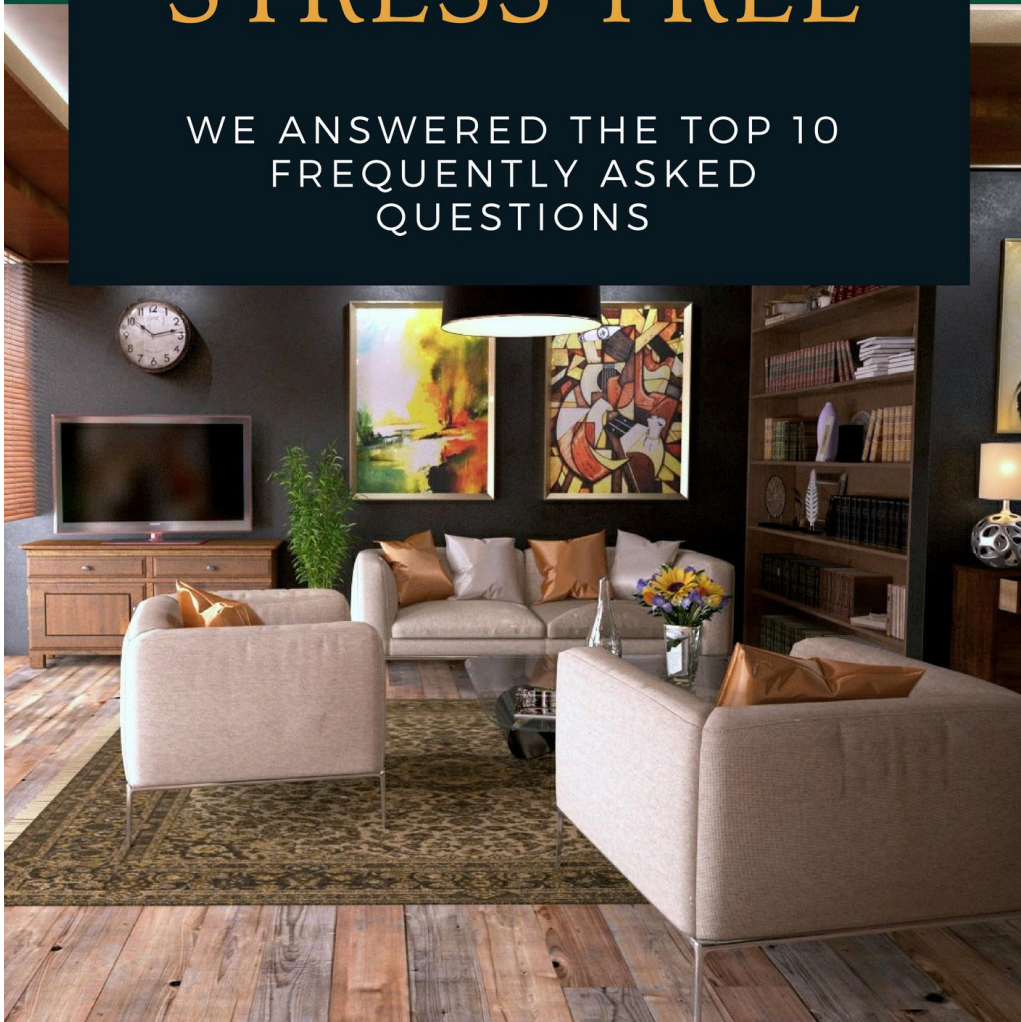


THE TUTTLE GROUP

# HOW TO BUY YOUR NEXT HOME STRESS-FREE

WE ANSWERED THE TOP 10  
FREQUENTLY ASKED  
QUESTIONS



# How to Buy Your Next Home, Stress-Free

We answer the TOP 10 frequently asked questions for move-up buyers in Texas.

Let us help you in your journey to your new home. We've compiled questions and answers for people just like you who have a home to sell and want to buy their next home in Texas. We want you to buy your next home, stress-free!

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## 1.) When should I sell and buy a move-up home?

There comes a point when it's to move up to a new home! You may decide to buy a different home for several reasons, such as: your family is growing and you need more space; you or your partner received a promotion that comes with a better salary, etc.; your current home's value has significantly increased and you want to leverage those gains...

Before you even start looking, going to open houses, or anything else, you must answer TWO very important questions FIRST:

a) *"How long do I (we) want to live in this next home?"*

Think about it ... your answer of "how long" determines the answers to EVERYTHING else that follows when it comes to buying your next home. It's also how you'll be able to narrow down your criteria list based on this answer. For example:

- If this is your "forever" home, maybe waiting a year to have more money to get everything you want is the answer.
- If you plan on only living in this next home until your kids are off to first grade, then maybe your next home is just a 5-year home with needs and wants that match that time period.
- You get to decide how long. Once you do, then the answers to the rest will come more easily ... but decide how long FIRST.

b) *What is the #1 driver of my (our) decision to move?"*

This answer will help you decide what to compromise on and what you absolutely must have for this next home. See how it follows the first question?! It can also influence the timing of your move.

## **2.) When is the best time of year to sell my home?**

Homeowners and real estate agents alike concern themselves with the perfect time of year to sell a home because the time of year you list your home will greatly affect how fast your home sells, and how much you get for it. So what is the best time of year to sell your home?

Most times, the best time to sell your home will coincide with the time of year when the weather is best; people are more interested in going out to view homes when the weather is nice.

In Dallas-Fort Worth, Texas, for example, May 1-15 is the ideal timeframe – which matches up with the national average. Listing your home in those two weeks will result in it selling nine days quicker, and for \$2,400 or more, than any other time of the year!

Here's another tip for maximizing your exposure...Go live on a Saturday! That will earn you an average of 20 percent more views in the first week on market than if you listed earlier in the week.

## **3.) What are the most important factors I should consider when selling my home?**

When selling a home, it can be overwhelming to think about all the many factors that need to be taken into consideration in order to sell your home quickly, and for the value you want. But when you break it down into the three *most* important considerations: price, condition, and exposure, it becomes much easier to focus on the factors that will make the biggest difference.

Price is one of the most important factors to take into consideration because if you don't price your property properly, it will automatically turn buyers off, even often before they've even seen the inside of your home.

The condition of your home is also of utmost importance when selling, because most buyers won't be interested in purchasing a home that still need a lot of work put into them. Even if your home doesn't have holes in the wall, peeling paint, water stains, and even dirty carpets can turn buyers away so it's extremely

important to make sure your home is in the very best condition before showing it to potential buyers.

The third most important factor to consider when selling your home is the exposure it receives while on the market. Even with the home priced at a great value for buyers and pristine condition inside and out, if buyers don't know about your home they're simply not going to buy it.

So whether you are going to work with a real estate agent to sell your home or go the DIY (do-it-yourself) route, make sure that your home gets "advertised" and receive exposure everywhere that makes sense!

#### **4.) How do I know what price to list my home at?**

So you know that price is one of the most important factors to consider when listing your home. If you price your home too high, it will turn buyers away because they don't see the value; and if you price it too low, you could lose out on thousands of dollars.

But how do you know what a fair price is for both you and buyers?

You can be prepared to just give your real estate agent a number based on what you paid for the home and what you think the home is worth; but that's not the smartest way to go about it.

A much better way to price your home is to get an appraisal, or have a comparative market analysis performed, which will tell you how much your home is worth based on location, condition, and market conditions. Appraisals can give you a precise number to value your property at, and they're even defensible in court.

A comparative market analysis is similar to an appraisal, but it's less formal and not admissible in court. Because they are not official, real estate agents will often provide clients with a free comparative market analysis in hopes to gain that client and eventually, earn them a commission.

Both appraisals and comparative market analyses should be submitted to the homeowner in writing.

#### **5.) What are the financing options for buying a move-up home?**

When you own a home and want to sell it to buy a place that's nicer – your move-up home, you might meet at least two "obstacles":

- You need a down payment to buy Home #2, but you can't get hold of that much money until you sell Home #1.
- You want to qualify for a mortgage on Home #2 while you're still on the hook for the loan on Home #1.



The only thing immediately that can solve these problems are if you're willing to sell your home and live elsewhere while you look for another home.

But what if you don't want to do that? What if you're the typical move-up buyer who wants to move directly from one home and into the other?

*Here are a few options to consider – and, at The Tuttle Group, we can definitely help you with other options and find best one that fits your needs:*

- 1) Make your new home purchase offer contingent on the sale of your home. But, in a competitive market, it can be difficult to find a seller who would accept that contingency.
- 2) You can get a bridge loan from your bank or a private lender –which will cover the money needed to cover an interval between two transactions.
- 3) You can borrow against your current home equity called equity loan.
- 4) Tap into your retirement accounts. Some move-up buyers borrow from their retirement accounts for their down payment and then repay the loan as soon as their house sells.

## **6.) What percentage of down payment do I need?**

As more and more people move to Texas and Dallas home values continue to soar, buyers are having a tougher time playing the real estate game. The main problem is having enough cash for a down payment – and 20% is still the magic number.

Dallas-Fort Worth residents looking to buy a home must save around two-thirds of their annual salary just for the down payment. However, as a move-up home buyer, having access to equity of your current home is a bonus!

## **7.) How big of a move-up should I make?**

Selling and buying are expensive – there are land transfer taxes, legal fees, real estate commissions, moving costs, utility set-up costs and more to consider. If you're going to make a move, make it count. If you need more space but don't have that much more budget, consider a neighbourhood change. Lateral moves are expensive.

## **8.) What credit score do I need to buy a house?**

Even though you own a home today and looking to move up and buy another home, your credit score is still important.

First, let's take a look at the credit score ranges from FICO:

Exceptional credit = 800 and above

Very good credit = 740 to 800

Good credit = 670 to 740

Fair credit = 580 to 670  
Poor credit = under 580

Even if you have low credit, there are still options for buying a home. Among other qualification requirements, mortgages will have credit score requirements. The minimum credit score you'll need depends on the loan type.

At The Tuttle Group, we make these things as pain-free as possible. Let's work with you to find the best mortgage loan!

## **9.) What do I have to disclose when selling my home?**

While you might not want to tell potential buyers everything there is to know about your home (including the fact that a few shingles are loose on the roof or that a post in the fence continuously breaks), there are some things you legally have to tell buyers, no matter how unpleasant they might be.

These items that you must include in a written disclosure vary from state to state so it's very important that you ask your real estate agent about any forms or guidelines that might be provided by the Association of Realtors in your state.

### **Some of the things you'll have to disclose are:**

*Deaths in the home.* If there have been any deaths in the home. Different states have very different laws about this with some making it illegal to not tell potential buyers about any death in the home, while in other states you don't have to disclose any death in the home.

In Texas, if the death didn't have anything to do with the property itself, the information does not have to be disclosed.

*Nuisances.* Nuisances are annoying noises, smells, or sights around the property that irritate the property owners, but aren't on the actual property itself. These nuisances could include things like train tracks, airports, industrial manufacturing plants, bad odors, smoke, landfills, and shooting ranges, to name just a few possibilities.

*History of all repairs.* While you'll definitely want to tell potential buyers about recent repairs in order to increase the property price, you'll also want to tell them

about any repairs that have been done in the past, what exactly was done, and why. These repairs could become issues once again after the buyers have moved into the home and they need to know what to be watching out for.

*Water damage.* Water damage can be one of the most disastrous, and most expensive, problems with a home so most states have a law in place that sellers must disclose all areas of water damage, repairs that have been done to repair it, and anything that puts certain areas at risk (like heavily watering the grass along the foundation).

Some states, such as Texas, have laws in place that requires sellers to provide a list of all the items that are included with the sale of the home so that buyers can read over it and determine what they will need to purchase before moving in.

## **10.) Builder Move Up Program for New Home Construction**

If you are looking to purchase a new home construction, ask after a builder move-up program. Typically, a builder move-up program provides a rebate back to you based on the sales price of your existing home thus saving you THOUSANDS of dollars. So, it's worth checking that out. Your real estate agent may be able to help you or you can go directly to a new home builder and ask.

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If you are ready to MOVE UP, give us a call at 469-319-0660 or email [thetuttlegroup@fairwaymc.com](mailto:thetuttlegroup@fairwaymc.com) -- and let's talk through your options.

At The Tuttle Group, our mission is to align your home loan with your long-term financial goals to help you achieve all your dreams. From paying for college to starting a business, your home loan should provide you flexibility.

