

# A Texas Realtor's Guide: Selling a Home in Texas

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## About Me



I'm Clay Carson. I joined RE/MAX Pinnacle Group REALTORS located in Arlington, Texas as an active real estate salesperson in fall of 2011. I'm surrounded by some very experienced and successful agents. Having access to the resources available to me since day one has been invaluable.

I grew up in Arlington and have lived in both Dallas and Fort Worth. I earned my degree in Communication Technology from The University of Texas at Arlington and shortly after began my career in real estate following the experience and guidance of my father. I work continuously on investing in my own education. I love learning about related industries and pulling knowledge from different fields to help me provide expert knowledge. I enjoy the process of information gathering and informed decision making.

A large portion of my clients are first time home buyers. I take pride in the responsibility of educating and walking them through the experience of buying a home. I have found that even with all the available information available on the Internet, many people are uncomfortable and uneducated about the process of buying or selling a home and what they can expect. The process of educating someone and helping them achieve such a sought after goal is endlessly rewarding.

My goal with this guide is to educate future sellers on what they can expect from the home selling process. I try to walk the reader through a 'regular' transaction that might have a couple of bumps along the way. Please keep in mind that all my scenarios will be based on buying and selling real estate in Texas and are created from my experience.

## In Preparation

The most important detail in selling a home is your motivation. Why are you moving? Changing jobs, need more room, need less room, proximity to family, schools, etc.

You have probably looked at tax records and crawled Zillow, Trulia, or Redfin to look at properties nearby and similar to yours that have sold to determine some sort of value for what your home might be worth. Do not trust Zestimates or any other predicted value calculator.

The presentation and first impression of your home is important. A buyer will feel comfortable in a home that is well taken care of. Sweat the small stuff because buyers are picky.

There are a couple of optional expenses that will give you valuable up front information about your home.

**1. Appraisal** - An appraisal is around \$500. The appraiser will look at recently sold homes, condition, and improvements and make an assessment of value. You can often use this appraisal as part of negotiating the price of your home with a buyer.

**2. Inspection** - An inspection is around \$350. Knowing what repairs or safety improvements your home needs and resolving them ahead of time will ease a buyer's mind when their inspection report isn't littered with concerning issues.

Before meeting with your agent, try to find the survey that was done when you purchased the home. If no permanent changes have been made to the structure there is a good chance the buyer can use it. This will save them or you \$400.

## Finding a Real Estate Agent

I suggest talking to some people you know who have bought or sold a home in the last few years. Find someone you are comfortable around and you feel you can trust. If you aren't comfortable with the agent, find another. I find that my clients

who I share a common interest with tend to be my favorites. I like to think it goes both ways. Read up on hobbies of a prospective agent and see if you share some common interests.

## **Realtor's Preparation**

Ahead of your appointment with your realtor, he or she should have taken a look at the history of your home and have a level of familiarity. They should also have used a similar approach to an appraiser to determine a ballpark value. They will probably bring along the information about the recent sales and current listings in your neighborhood as a part of their meeting with you.

If your agent is really on the ball, they may send over an advanced copy of a couple of documents ahead of the listing appointment.

**1. Residential Data Input Form** - This form will be used to populate information about your home on the Multiple Listing Service (MLS).

**2. Seller's Disclosure Notice** - This form discloses everything you know about the condition of the property. You must fill this form out to the best of your ability. Do not lie or withhold information.

Having both of these filled out prior to your appointment will be a big help to your agent.

## **Listing Appointment**

It is best that you and your realtor meet at your home so the agent can get a look at the home to grasp an idea of what lies ahead, any problem spots, or things to boast up in marketing.

Welcome your agent into your home. Make pleasantries and give them a tour of the home. Inform them of updates and improvements and the things you like and dislike about living there. I will often ask, "What made you want to buy this home?"



Share with your agent your motivation for selling the home - it makes a difference. For example, if you are relocating to a different state you may want to list your home at a lower than market value price so that it sells quickly and the burden is removed. If your motivation is money and you don't need to sell your home, you may want to list at a higher price to maximize your return. Every case is different and your motivation will play a large role in the process.

After the tour, you and your agent (or prospective agent) will discuss the process of selling your home. The agent might share their plans for marketing the property, who they think might purchase the property, the timeline, current market trends, suggested repairs or improvements, etc.

Assuming you have made the decision to hire this agent they might then take photos, measure rooms, put a lockbox on the door and put their sign in the yard.

There are basically two kinds of lockboxes: Supra iBox and Combo. The Supra boxes carry far more benefit regarding security. Supra boxes log entry activity so you can always know who was in your house and when. Combo boxes use a simple combination code and record no data about who comes and goes.

As part of your agreement you and your agent will have negotiated commissions to be paid at closing. Your agent will offer a Selling/Buyer's Agent 50% of his or her commission if the Selling/Buyer's agent is able to bring he or she a buyer.

## **Showings**

Hopefully, shortly after your agent has activated the listing on the MLS you will begin to receive request for showings. Many agents use Centralized Showing Service (CSS) to allow other agents to schedule appointments to show the home.

CSS allows you to confirm and receive notifications about showings through text, email or phone call. Ordinarily, showings are scheduled for one-hour windows and often times require an hour notice.

There are three different restrictions with showings.

**1. Courtesy Call** - CSS will notify you that an appointment is scheduled and the buyer and their agent will be free to view the home.

**2. Appointment Only** - CSS will notify you that an appointment is scheduled and you will need to confirm the appointment with CSS.

**3. Go** - May or may not receive notification that someone is going to view the home and they are basically free to go by whenever. Commonly used for vacant homes.

You will also have the option to set detailed limitations with CSS. For example, 'no showings before 9am and after 6pm on Tuesdays and Thursdays' or 'no showings on Sundays'.

It is important for your home to make a solid first impression; Get air fresheners, clean up, make the beds and do not be home for showings. Also, keep in mind that people may snoop.

## **Receiving Offers**

Once an offer comes in your agent will get with you and present the offer. They will discuss the terms, the buyers financing, the pros and cons, and some ideas for a counter offer (if necessary).

In an ideal world, shortly after listing your home your agent will have a pile of offers to sort through and organize. If this is the case, your agent will probably have provided each buyer's agent with a deadline to submit their 'best and final offers'. Once that time comes, your agent will present and walk you through each offer and together you will determine which offer to accept.

## **Documents**

You will be presented with a dozen or more different documents throughout the process.

**Documents often required by or provided by your agent:**

## **Information about Brokerage Services**

Agents are required to have you sign this form upon first substantive contact. It informs the seller of the responsibilities of their agent.

## **Exclusive Right to Sell**

Agreement for you to hire your agent. Your agent will act in your best interest and you will be a loyal client of theirs for the term of the agreement.

## **Residential Data Input Form**

This form will be used to populate information about your home on the Multiple Listing Service (MLS).

## **Seller's Disclosure Notice**

This form discloses everything you know about the condition of the property. You must fill this form out truthfully and to the best of your ability.

## **Documents to be provided to the buyer:**

### **Lead Based Paint Addendum**

This document is required if the home you are purchasing was built before 1978. It discloses the possibility of Lead Based Paint.

### **Mineral Rights Addendum**

If you intend to retain your mineral rights you will use this form to waive the surface rights to the property for the buyers use.

## **Documents often submitted by the buyer as part of an offer:**

### **One to Four Family Residential Contract**

The document outlining the terms of the buyer and seller. In this document you will have the sales price, closing date, option period and fees, earnest money, seller closing cost contribution and several other defining parts of the contract.

### **Third Party Financing Addendum**

This document is referenced in the One to Four Family Residential Contract. It provides details about the terms of the buyer's loan.

### **Non-Realty Items Addendum**

This document will be used if the buyer is wanting the sellers to leave a possession that is not included as part of the house. The most common thing is a refrigerator. Unlike other built-in kitchen appliances (stoves, built in microwaves, dishwashers) refrigerators are not considered attached and thus not considered a part of the home.

### **Addendum for Property Subject to Mandatory Membership in a Property Owners Association (HOA)**

If your home is part of a Home Owners Association, this form will outline who is paying for what regarding the transfer and dues and by what dates the bylaws and other information are to be delivered to the buyer.

### **Seller's Temporary Residential Lease**

This is used for your protection as a seller. Let's say you move out of your house 5 days before closing and the buyer loses their job 3 days before closing and can no longer buy the home. Now you don't have a buyer for your house and will more than likely be moving back in. You will have wasted time, money on movers, and money on storage. To save yourselves the trouble and the risk you will temporarily lease the property back from the buyer. This lease will usually last 24–72 hours after closing and will give you a chance to move all of your possessions from the home.

### **Amendment**

After your inspection you will likely tack on an amendment. Amendments will cover any changes to the original agreement. Sometimes there can be more than one. Usually the first amendment will outline repairs the buyer is requesting that were discovered during the inspection.

## Closing Costs

Closing costs are composed of fees for the lender, survey cost, appraisal cost and more. It is common for a buyer to ask a seller to pay a portion of their closing costs.

As a seller, the most important number to you is your net proceeds. Assuming you arrive at a sales price/closing cost contribution that you determine to be fair, by paying a portion of the buyer's closing cost you are essentially granting them the right to finance their closing cost over the life of their loan.

## Appraisals

Usually between 7–14 days prior to closing, the buyer's lender will order an appraisal. Appraisals are required from all lenders. An appraiser will use recently sold homes in the neighborhood to determine what he or she believes to be a fair value for the home. This protects the lender from the buyer paying \$150,000 for a home that is worth \$100,000. If we did not have appraisals, a buyer could pay \$150,000 for a \$100,000 home, not make payments and then the bank forecloses on a home that's value starts at 66% of what is owed.

The appraiser is, in a way, the gatekeeper in the process. They determine if the value for the home is equal to the price the buyer and the seller have agreed upon. There are several things that could happen as a result of an appraisal. We'll use our \$100,000 house as an example again.

**1. Appraiser determines the value of the house is \$100,000.** Great! We should be on easy street the rest of the way.

**2. Appraiser determines the value of the house is greater than \$100,000.** Buyer is getting a good deal and you are happy that your home will be sold.



**3. Appraiser determines the value of the house is worth less than \$100,000 (let's say \$95,000).** This is not good and can cause some kinks.

When an appraisal comes in low, the options are as follows...

A) Buyer and seller renegotiate the price of the home to match that of the appraisal.

B) Buyer has the option to pay the difference out of pocket. They cannot use any lender money to make up the difference.

C) Buyer and seller renegotiate the price and agree to split the difference between the sales price and the appraisers value in some way. For example the buyer pays \$2,000 out of pocket and the seller lowers the price \$3,000.

D) Buyer may terminate the contract, have earnest money refunded, and move on.

## **Final Steps**

At this point you should be finishing up any repairs and providing those receipts to your agent to pass along to the buyer. A few days before closing a time will be scheduled with the title company to sign our closing documents.

The title company kind of acts at the top of the pyramid for the transaction. They will also be doing the title work to ensure that the you have the right to sell the home.

A day or two before closing, the buyer will schedule a final walkthrough. The buyer will come to the home and verify that all repairs have been done in coordination with the agreements and that the condition of the home as they expect it.

The day of closing is simple. You will bring keys, garage door opener, and any other extra information you wish to provide to the buyer (manuals, receipts, etc.) to the title company and sign the required documents to sell the home.

## **Thank You!**

Now that you have sold your home, you probably need to buy one. Check out my [Texas Realtor's Guide to Buying a Home in Texas](#).

If there is a way I can make my guide better or improve upon it, please email me at [claycarson@remax.net](mailto:claycarson@remax.net).

If you or someone you know is looking to buy or sell a home, I'm happy to be the guy that helps them. You can learn a little bit more about me [here](#).