

Now *that's* a smart move



Tips From Texas REALTORS® to help you avoid expensive mistakes in your next real estate transaction

Brought to you by

 TEXAS ASSOCIATION OF REALTORS®

Real estate transactions are complicated. If you're not sure what you're doing, you can lose money or wind up in court. Even when things are going well, making decisions with so much on the line can be stressful.

That's why having a Texas REALTOR® at your side is a smart move.

Your REALTOR® will:

- Help you sift through the mounds of data and info
- Explain each step of buying or selling
- Discuss your best options
- Help you accurately assess property values
- Negotiate in your best interests
- Keep your transaction running smoothly
- And more!

This valuable guide gives you tips gathered from a survey of Texas REALTORS® from all over the state.

Remember ... every real estate transaction is unique. Talk to a Texas REALTOR® to get the best advice when you want to buy, sell, invest in, or lease property.

Now *that's* a smart move.



Purchasing your first home? Upsizing?
Downsizing? Relocating?

A Texas REALTOR®
will help you make
smart buying
decisions.

Avoid these mistakes

44%

of Texas REALTORS® say
**not working on your
financing early enough
in the process** is the
biggest mistake home-
buyers make.

26%

say **being
unrealistic about
what you can
afford**

Other top mistakes REALTORS® mentioned?

Letting emotions get in the way of good decisions

Not defining desired criteria prior to your property search



COMMENTS FROM TEXAS REALTORS®

“Don't mistake the
real world of buying
a house with what
you see on HGTV.”

“In a seller's market,
be ready to make an
offer quickly ... there
is no tomorrow.”

“Don't ask for
unnecessary repairs
in a seller's market.
You may lose the
property.”

Watch out for surprises Nearly half of Texas REALTORS® say that the biggest surprise to first-time homebuyers is how many steps there are between getting an accepted offer and closing the deal. Here are just a few of those steps you may take in a transaction:

Your REALTOR® helps you navigate these and other steps based on the specifics of your transaction.

Arrange for a survey
Purchase title insurance
Work through any issues discovered during the title search
Provide appraiser with comparable properties and information relevant to the value
Deliver termination-option fee to seller
Consider proposing amendments **Review seller's disclosure**
Hire additional specialists to investigate issues identified in the inspection
Purchase home warranty **Schedule pest inspection**
Schedule the inspection Monitor deadline for terminating contract without penalty
Review appraisal **Review Closing Disclosure** **Review title commitment**
Negotiate amendments Coordinate closing with closing officer and seller
Monitor loan process **Verify HOA documents**
Review inspection report **Choose a home inspector**
Review all closing documents for problems, omissions, and math errors
Go on final walkthrough of property **Schedule final walkthrough of property**

Determine how to follow up on any problems detected during inspections
Request from seller manuals and documents for existing appliances/systems
Provide paperwork to lender
Follow up on issues in seller's disclosure
Get cashier's check for downpayment
Coordinate utility connections

Texas REALTORS® say buyers need the most help in these areas:

Don't get overwhelmed!
Work with a Texas REALTOR®.

Finding a property that meets your needs and budget

30%



Determining if a price is fair/what offer to make

30%



Negotiations

22%



Dealing with paperwork

15%



COMMENTS FROM TEXAS REALTORS®

“

The most difficult task depends on market conditions. If supply is low, finding a house is difficult ... but if supply is high, negotiating is the most difficult.

”

“

Buyers need help with all of it ... finding a property, determining a fair offer, assessing the quality of the home, negotiating, dealing with the forms, and keeping it all together between getting a contract and closing the transaction.

”

“

The most difficult part depends on the buyer and their experience.

”

Expensive mistakes Texas REALTORS® have seen buyers make.

Your REALTOR® will help you avoid costly errors.

“ Not getting a home inspection because the buyer wanted to save a few hundred dollars. Big mistake. ”

“ Assuming that the highest loan they are approved for means they can afford it. ”

“ Not realizing co-signing a loan for your son can tank your credit score. ”

“ Purchasing a cheap home and not understanding the costs to make it livable. ”

“ Making too low of an offer when really wanting a home, then losing it to others who made a fair offer. ”

“ Not getting a home warranty. The AC failed three months after they bought the house. ”

“ Not knowing about assistance programs for buyers. ”

“ Not shopping for a mortgage. Rates and closing costs can vary widely. ”

“ Offering much more than the market value of the home because of multiple offers, then not being able to sell in a few years because they owed more than the home was worth. ”

“ Deciding they didn't want the home after the termination period. The buyers lost their earnest money. ”

“ Overlooking structural problems because the cosmetics of a remodel were so pretty. ”

Buying a home?

If you can't afford the exact home you want, **56% of Texas REALTORS® say buying a smaller home is the compromise you will least regret.** That came in way ahead of buying a lower-quality home, buying a different type of home (like a condo instead of a detached home), or buying in a less desirable or less convenient neighborhood.

A Texas REALTOR® will discuss all your options, so you make the best decisions.



“Don't get too emotionally attached to a home. You need to be realistic about how much work and expense will come after you buy it.”

“Make sure you're transparent with your Texas REALTOR®. We can't do the best job for you if we don't know what your real situation is.”

Putting your home on the market is no easy task.

You will have a lot of questions:

- What price will maximize my profit?
- How do I market my home to the widest audience?
- Should I accept the first offer?
- Is staging important?
- Should I make repairs or lower the price?
- Will remodeling pay off when I sell?

Your Texas REALTOR® can help you sort through all these considerations.



Avoid these mistakes

54%

of Texas REALTORS® say **overpricing your home** is the biggest mistake sellers make

15%

say **letting emotions affect negotiations**

12%

say **not making repairs prior to putting the house on the market**

Other top mistakes REALTORS® mentioned?

Thinking that online home valuations are accurate

Interacting directly with buyers and compromising negotiating positions

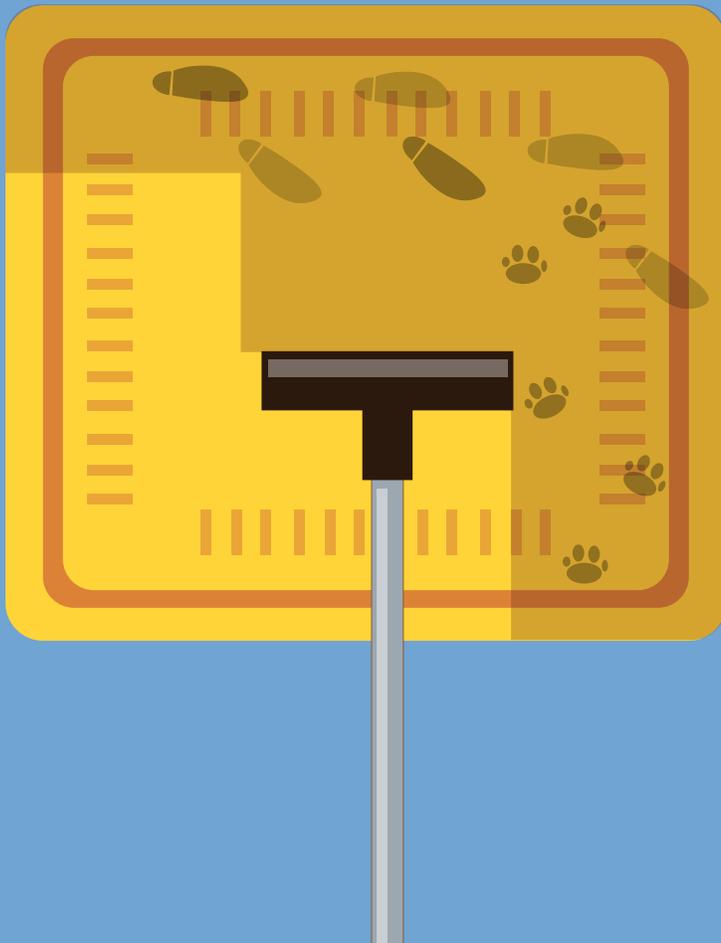
Make a good first impression with buyers

What Texas REALTORS® say are the most valuable projects prior to putting your house up for sale

Every property is unique. Get your REALTOR®'s advice first.



matrosnika/Shutterstock Regular/Shutterstock



What should you do if your home has worn, stained carpet?

72% of REALTORS® recommend replacing the carpet before putting the house on the market.

28% suggest leaving the carpet and offering a carpet allowance or reducing the price of the home.

It may depend on your market and other factors. Talk to a Texas REALTOR® to discuss what option makes most sense for you.

Expensive mistakes Texas REALTORS® have seen sellers make.

Your REALTOR® will help you avoid costly errors.

“Not accepting a good offer because it came ‘too quickly.’ They waited three months and got less than the first offer.”

“Spending too much money on upgrades and not getting a return on that amount when they sold.”

“Telling the buyer they would fix whatever was listed on the inspection report, thinking there wouldn’t be much.”

“The seller lied on the disclosure notice. That led to a lawsuit after closing!”

“Not remedying pet smells or cigarette smells. Buyers cannot get over it.”

“Over-improving for the area.”

“Doing a bathroom remodel themselves. Everything but the toilet had to be removed and redone.”



“Selling for the amount of an online valuation and never realizing they lost a lot of money.”

“Repainting with pale pink because it matched their furniture. That cost them almost a year on the market and \$40,000 off the asking price.”

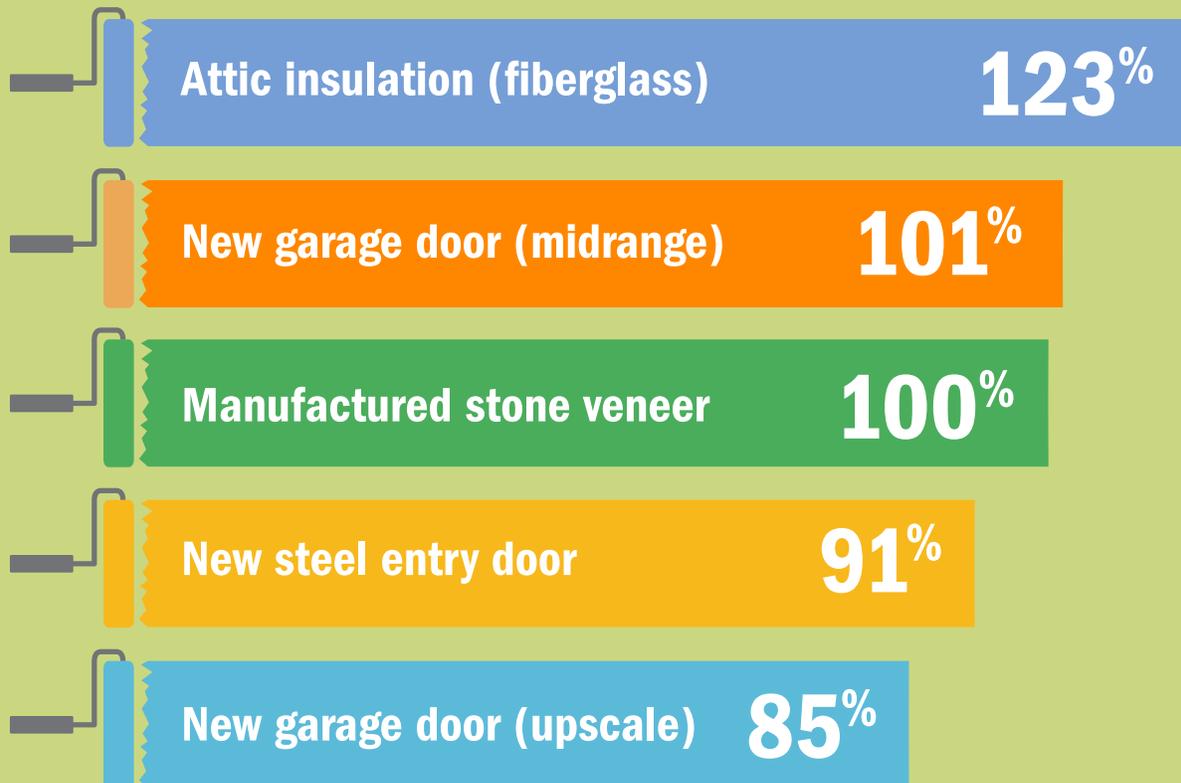
“The sellers didn’t disclose previous flooding. The neighbors told the new owners about it. Awful mess!”

“Not taking an offer that came in the first couple of days. We never got another offer.”

Which remodeling projects are the best and worst returns on your investment?

Find out what your REALTOR® thinks about projects you're considering.

Project costs recouped at resale



59%
Midrange deck addition

58%
Master suite addition

57%
Upscale bathroom remodel

57%
Bathroom addition (midrange)

55%
Upscale deck addition

Source: 2016 Cost vs. Value Report by the National Association of REALTORS® and Remodeling magazine



Selling your home?

Texas REALTORS® say sellers need the most help in these areas:

Let your Texas REALTOR® help you through the process.



Pricing the home

39%



Negotiations

23%



Dealing with forms and paperwork

20%



How do you compare to other sellers?

90%

of sellers in Texas worked with an agent to sell their homes.



How do you find the right Texas REALTOR® for you?



Ask friends and family for a recommendation.

Or look for REALTORS® on the [texasrealestate.com](https://www.texasrealestate.com) Find a Texas REALTOR® search.

You can learn about each agent's specialties, professional designations, background, and more.

Make sure the agent you work with is a Texas REALTOR®. Not all licensed real estate agents and brokers are REALTORS®. Only REALTORS® pledge to abide by the REALTOR® Code of Ethics.



Whatever your real estate needs, ask a Texas REALTOR®

Now *that's* a smart move



TEXAS ASSOCIATION
OF REALTORS®

texasrealestate.com