

Exclusive Home Buyer's Guide

HOUSTON • TX
95° 21' 37" W
29° 43' 24" N



EW

Buying a home in Houston

With the friendliness of a small town and the flavor of a cosmopolitan city, Houston is a desirable place to call home. The farmland etched with rambling bayous has transformed into the nation's fourth largest city and hub for the best in the arts, medicine, and business.



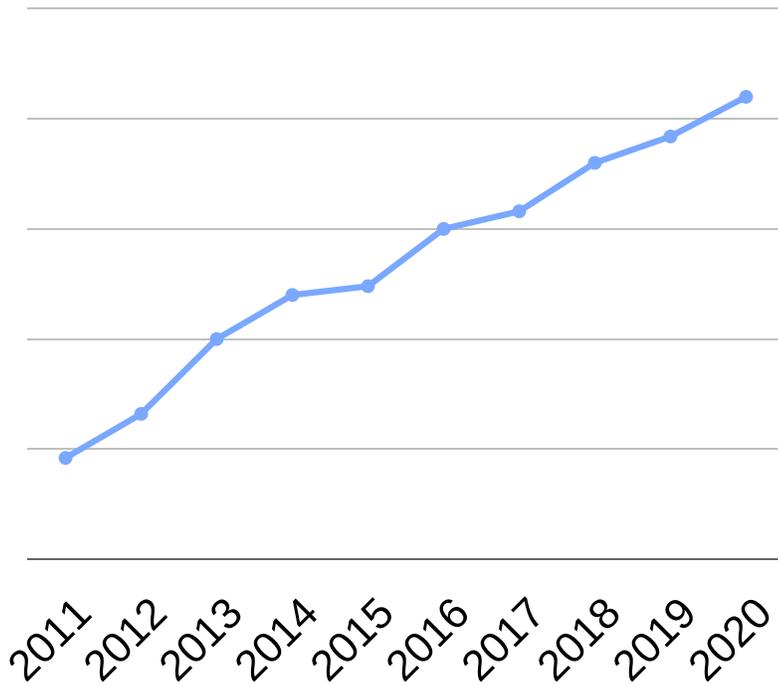
Tinys Milk and Cookies - West University



Ownning a slice of the Bayou City has proven to be a prudent investment, and with interest rates at record lows, there has never been a better time to purchase your first home or move to a property that better suits your lifestyle. Whether you prefer a downtown high-rise or a cul-de-sac in the suburbs, Houston has a home that's right for you!

City Centre - Memorial

Why Own Houston Real Estate?



In the last 10 years, median property values in Houston have risen nearly 63%.

Houston is a great place to own both investment properties and a personal residence.



Let's Talk

Money / / / /

Whether you desire independence from a landlord or the freedom to design the space of your dreams, owning a home can be a fulfilling experience. The greatest benefits, however, are often financial:



1 Tax Savings

Property owners can deduct both property taxes and qualified interest on their federal tax return

2 ROI

Home appreciation and smart updates offer homeowners the potential for a significant return on investment

3 Deferred Capital Gains

If you sell a home you've lived in for more than 2 years, you may exclude capital gains tax up to \$500,000/married and \$250,000/single

4 Leverage

Leverage interest rates as low as 2.5% and invest your money somewhere else (consider investment properties)

5 Accumulation of Principle

A portion of each mortgage payment is applied to your principle, which increases the equity in your home month after month

TIP

You are allowed one free credit report per year from each of the three credit bureaus. Visit <https://www.annualcreditreport.com/>

First Things First

Mindset

Be Flexible

Remember Your Goals

Take a Look Inside

Look For Potential

You may be a home buying pro, but if you're a first time buyer, here are some helpful tips to keep in mind.



The Path

Forward

Let's take a look at the 6 steps to
a successful home search

01

02

03

04

05

06





01

Talk to your agent

An initial meeting will allow you to share your needs and will give your agent the opportunity to ask pertinent questions. Open and honest communication is critical to a successful purchase experience.

Choosing to work exclusively with one Agent/Broker through a representation agreement ensures that you benefit from their advice, guidance, and negotiation expertise. Your agent will be your advocate from start to finish and will recommend you to quality lenders, title companies, and tradespeople.

Your agent's commission is typically paid by the seller so you will enjoy the expertise of a real estate professional at no cost.*



What to discuss

- Location - commute, amenities, proximity to your favorite destinations
- Home Qualities - size, layout, style, stories, yard, storage, pool, special features
- Schools - do you plan to use nearby public or private schools?
- Budget - including insurance, HOA dues, taxes (which vary throughout the city)
- Timeline - when would you like to be in your new home?
- Flooding - many neighborhoods have experienced flooding so it's important that you understand flood insurance and the pros/cons of purchasing a home that has flooded or is at risk of flooding

**Please discuss this with your agent as there are a few exceptions*

02

Consult with your lender and get pre-approved

Good lenders are worth their weight in gold. Working with a trustworthy and seasoned lender is CRITICAL to ensuring that you close on time and without unnecessary stress. I strongly discourage the use of large banks (Chase, Wells Fargo, etc.) as they tend to offer lower levels of service and are notorious for delaying closing or denying your loan altogether. I recommend working with a local Houston lender.



Did you know that good lenders offer credit counseling and financial advice so that you receive the best rate/terms possible when it's time to buy?



Wanting to pay cash? Here are the advantages:

- It allows you to close in roughly 2 weeks.
- There are no lender fees at closing.
- You will have a leg up in multiple offer situations. Sellers prefer cash because the sale is not contingent upon the home appraising for the purchase price or the buyer being approved for financing. This increases the likelihood of a quick and seamless sale.

TIP

Many sellers prefer a buyer who is working with a reputable local lender over a large bank. This can give you an edge in a multiple offer situation.

The Lending Process

What To Expect



1 Get Pre-Approved

Your lender will review your **credit, income, debt, & assets** to determine your "buying power" (the amount you may spend on a home). They will provide you with a Pre-Approval letter which is a written commitment to offer you a loan. When you make an offer on a home, the seller will want to see this letter to verify that you are financially qualified to purchase their home.

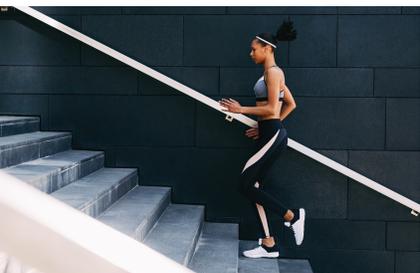
2 Collect Important Documents

Be prepared to provide your lender with the following:

- Previous 2 years' W2's or 1099's
- Previous 2 years' income tax returns
- Last 30 days of pay stubs
- Last 2 months of asset statements (bank, investment, retirement accounts)
- Identification documents (driver's license, social security card, passport)

3 Complete Your Lender's Application

This places you on the path to home ownership and informs your lender of additional documentation to collect in order to complete your file.



TIP

A seller will not take your offer seriously unless it's accompanied by a Pre-Approval Letter (or proof of cash) so get pre-approved BEFORE you shop.

The DOs

while you're applying for a loan



Create a file of all your financial documents -

This includes investment statements, W-2s, tax returns, rental agreements, etc.



Save money for your down payment -

If you are receiving gifts from family/friends to help with your down payment, please inform your lender as early as possible.



Stay current on existing accounts -

One missed or late payment can cost you.



Continue to use your credit as normal -

Changing your pattern may raise a red flag or negatively impact your credit score.



Follow the 30% rule -

Keep your credit card balances 30% below their limit during the loan process. If you pay down balances, do it across the board.

The DON'Ts

while you're applying for a loan



Change your job, job title, salary, compensation structure, or employer -

The lender must be able to verify this information.



Make any large purchases until your home purchase is complete -

This includes cars, boats, appliances, or even expensive vacations.



Make any large deposits -

These have to be traced and can complicate the loan process.



Apply for a new credit card -

Credit inquiries have the potential to negatively impact your credit score.



Close credit accounts -

If you close a credit card account, it may appear that your debt ratio has gone up.





03

Drive Drive Drive

Some buyers know precisely where they hope to move or already live in their target neighborhood. If this is you, proceed to Step 04!

However, I find that most buyers are unsure about the exact area they want to call home. The best thing that you can do is invest in a tank of gas and thoroughly drive through each neighborhood.

”

*A tank of gas is your
best investment*

Even if you plan to live in a highrise, driving the area will be invaluable. As you drive down each neighborhood street, consider the following:

- Do I like how this neighborhood "feels?"
- Do I like the style & size of the homes/yards?
- Would I feel comfortable walking here?
- Are there sidewalks?
- Are the yards well maintained?
- Do I like the trees or lack thereof?
- Do parts of the neighborhood have excess noise or back to busy streets/businesses?
- Which streets seem to have the most traffic?
- Do I like the selection of stores in the area?

04

• • Create a plan to tour homes for sale

• • Tips for Success:

1 Don't get hung up on "Price Per Square Foot." There are MANY factors to consider when determining a property's value.

2 Consider resale. The market may be hot now, but in a cool market, it may be difficult to resell a home on a busy street or one with an odd layout.



3 Recognize the things you CAN & CAN'T change about a home. Flooring, lighting, paint, landscaping, etc. can all be easily changed.

4 Don't cram too many showings into a single day. It will leave you exhausted and confused.

5 Narrow down your showings to the very BEST options. Don't waste time seeing homes that don't meet your criteria.

6 Once you find a home you love, TALK to the neighbors. They'll give you the inside scoop on the home/neighborhood!



TIP

Home buying is not a process of SELECTION, it's a process of ELIMINATION. By eliminating locations, styles, sizes, etc., you'll be one step closer to home.



05

Make a Smart Offer

A woman with long brown hair, wearing a light blue lace top and light blue pants, sits at a dark wooden table. She is working on a laptop. The table has a white mug and a vase with flowers. In the background, there is a window and a colorful abstract painting. A large teal play button icon is overlaid on the image. To the right of the play button, the text "Make A Smart Offer" is displayed in a large, black, sans-serif font. On the left side of the image, the name "ERICA WETHERELL" is written vertically in a black, sans-serif font.

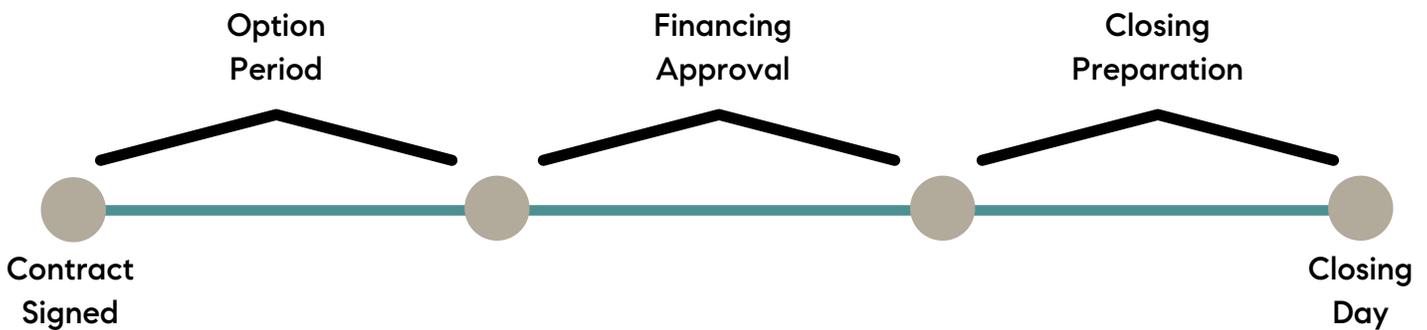
ERICA WETHERELL

Make A
Smart Offer

06

The path to the closing table

Your smart offer was accepted and all the paperwork has been signed. At this point I will send you a detailed timeline specific to your contract, but the following is a general idea of what the "Contract-to-Close" timeline looks like if you are financing your purchase. If you prefer a cash purchase, your timeline will be abbreviated.



Option

This time period generally lasts 7-10 days and gives you the opportunity to inspect the property, gather insurance quotes, and negotiate repairs with the seller. You may back out of the contract for any reason during this time.



Financing

Your lender's underwriting department will review your file for final approval and order an appraisal of your property to make sure it's worth what you plan to pay. Most contracts allow you to back out for a minimal expense if you are not approved for the loan.



Closing

At this point, the seller will have completed any agreed-upon repairs. The appraisal and new survey (if needed) will have been received. You will schedule utilities to begin and prepare to wire your down payment to the title company.

Let's

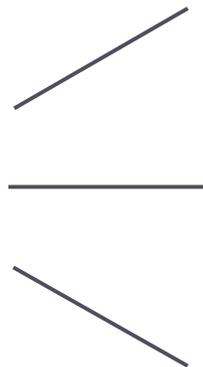
Talk



Each home search is nuanced and unique. Simply click below and we can schedule a time to craft your search.

[Contact Me](#)

Take a look at the unmatched Compass Programs. When we talk, we can discuss if any of them might be right for you.



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Why I Do What I Do

