



# BUYING *and* SELLING *a* HOME SIMULTANEOUSLY

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**exp**<sup>®</sup>  
REALTY



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“The best way to ensure your homebuying process is a confident one is to find a real estate pro who will guide you through every aspect of the transaction with the **‘heart of a teacher’** by putting your needs first.”

*-Dave Ramsey*





## How to use this Guide

### WHILE NAILING DOWN THE LOGISTICS MAY BE APPEALING, CONSIDER THIS:

Begin with a plan and allow your agent to help guide you through the process, being flexible and open to making changes as necessary. Your options when buying and selling at the same time will be dependent on a variety of factors, including financing, qualifications, your goals, market conditions, among others.

Consider Stacey and Jason, who sold in 2021 in 3 days and were prepared to do a double move into a VRBO while they shopped for a new home with less stress! In the end, they were able to get a seller rent back and found a replacement home in time to move only once!

Tiffany and Josh, who were fully ready to list their home as soon as they found their new home. It took them 6 months to get under contract on the new home, we listed their current home immediately and sold fast!

Rob and Melinda chose to list, not knowing where and when they would move! They opted for a seller rent back and were able to close within a week on each home!

When you know that your current home is not working for you, a trusted realtor can guide you and make the process smooth. In the end, all of my clients ended up in a home they love!



## What are my Options?

*"Do we buy first or sell first?"*

*"When can we start home shopping?"*

*"What option is most realistic?"*

*"How long will the process take?"*

Let's start by looking at the most common options:

### **The Same-Day Close**

Receive an offer, shop while it's under contract, and close the same day

### **The Contingent Offer**

Make offers while preparing to sell your home, list your home when you find "the one"

### **The Rentback**

Rent your previous home back for 15-60 days from the buyer

### **The Bridge Loan**

Take out a bridge loan to pay for the new home while waiting for your current home to sell

### **The Double Move**

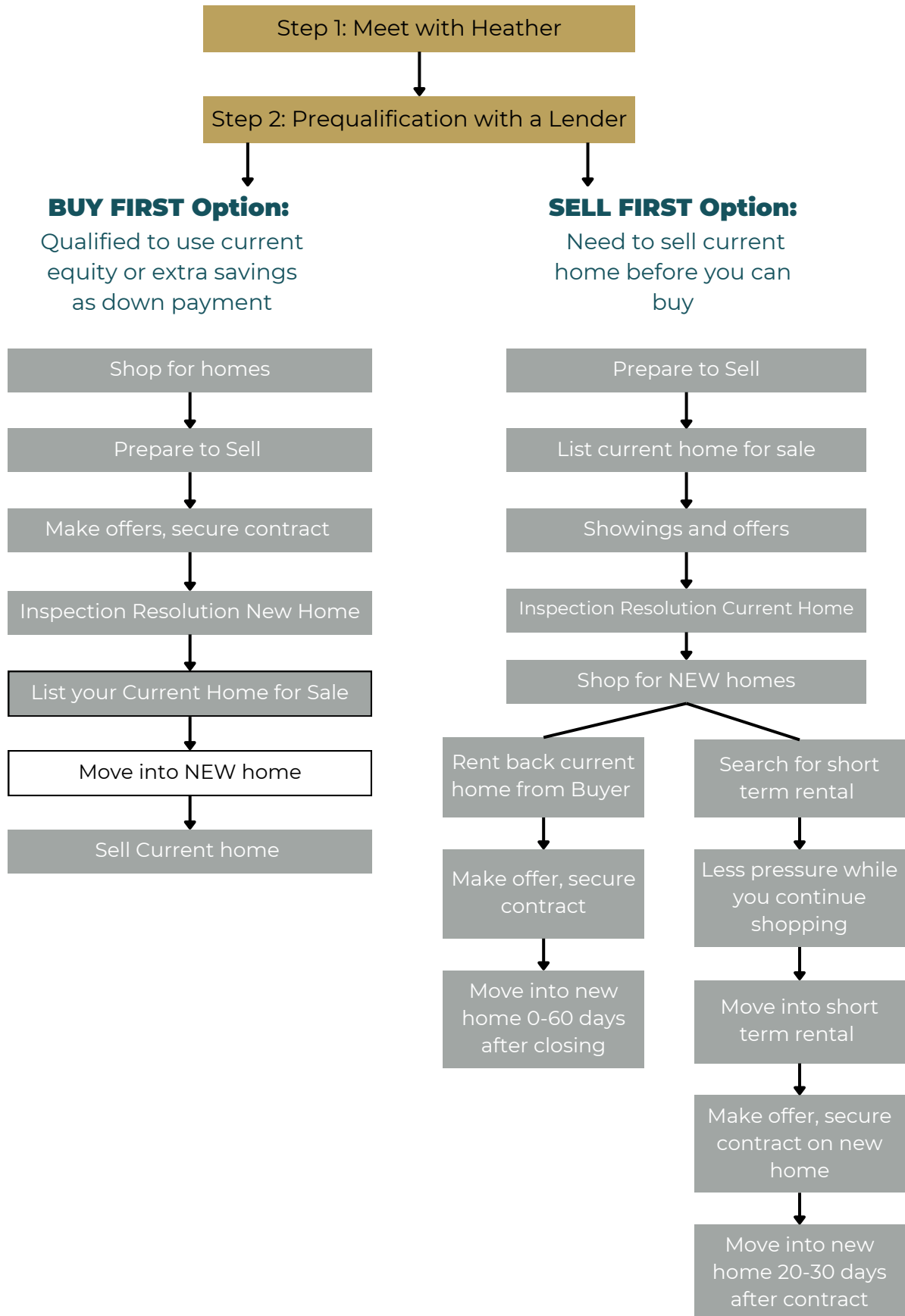
Rent a furnished home while you wait for your new home to be ready

### **The Double Mortgage**

If you qualify, take the stress out of buying by assuming two debts

# Sample Timeline

This is a general overview on the process. For more specific timing, contact Heather O'Leary for a one-on-one planning session.





# The Rentback

A common choice when selling your home first is to rent your previous home back from the buyers. Typical rentbacks last between 15 and 60 days, which gives you more time to work through the logistics of your purchase. Some buyers will even allow you to stay in the house at low or no extra cost during this period, giving you freedom from mortgage payments while you're settling the costs of moving and closing. A good agent can help you negotiate terms on a rentback to help you make sure that you get the best deal from the buyers. If the buyers allow you to rent back your current home, this is a convenient and cost-effective option.

## The Pros

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- Competitive offer
- No financial overlap
- Only one move
- Stay in home after closing

## The Cons

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- Only 15-60 days
- Only if offered by Buyers
- More paperwork
- May require rent

## THE BOTTOM LINE

If the buyers are open to a rentback agreement, this can be a very convenient option that allows you to place the most competitive offer without needing to move twice. A good agent can work with the buyers and their agent to help you negotiate rentback terms



## The Double Move

If you close on your current home before you're able to move into your new home, you can opt to move into a furnished rental while you're waiting for your new place to be ready. Even though it might seem inconvenient to move twice, there are some advantages to choosing this option. A short-term rental gives you the most time to shop around and place a competitive offer on your next home without missing out on a great offer for your current home. It also means that you'll have a cozy place to stay while you're waiting for renovations on your new house and you can work through the paperwork at a more relaxed pace.

### The Pros

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- Competitive offer
- No financial overlap
- Time for renovations
- Relaxed schedule

### The Cons

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- Inconvenient
- Extra moving costs
- Need to find a rental
- More paperwork

## THE BOTTOM LINE

While a short-term rental might seem inconvenient at first, it can save you significant money in the long run by allowing you to make a more competitive offer on your new home and wait for the best offer on your current home and help the process move at a comfortable pace.



## The Same Day Close

In a perfect world where home listings are plentiful and buyers are eager, aiming for same-day closes would be the simplest option. In the current Denver market, however, which is heavily skewed towards sellers, shooting for same-day closes is more complex than it might seem. It's not realistic to assume that the buying process will move as quickly as the selling process. This can cause undue stress and hasty decision-making in the buying process. Furthermore, an offer is less competitive when it is contingent on the sale of your current home. Your offer will be strongest if you have the logistics of your sale already settled.

### The Pros

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- No financial overlap
- No double move
- Easier to qualify
- No rentback

### The Cons

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- Less realistic
- Contingency stress
- Offer less competitive
- No fallback

## THE BOTTOM LINE

Opting for same-day closes makes the most sense when you already have your new home secured and the sellers are willing to work with you on timing. If you need to make a competitive offer, you're better off making sure you have some cash in hand first. This is a great option to new build homes when you know of an estimated closing time for your new home.



## The Contingent Offer

Offer on a home without selling yours first! A contingent offer is writing an offer with a contract with a clause stating that the contract terminates if your current home is not sold by a certain date. This less common in a strong sellers' market, but becoming a viable option in 2023. We can fully prepare your home to sell, staging, consult, marketing and professional photography prior to making offers on new homes. When you have an excepted offer, we strategically price your home to sell and hope for a same-day close.

### The Pros

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- Find a home first
- No financial overlap
- No double move
- Take your time shopping

### The Cons

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- Possibly lose the home you love
- List current home to sell faster
- Less competitive offer

### THE BOTTOM LINE

The downside to a contingent offer is that a seller may view your offer as less serious and riskier to the sale of their property. Still, if you want to wait until you find the perfect replacement home, this can be an option. This option is possible especially in the more "normal" Denver market.



## The Bridge Loan

Some buyers choose to take out a bridge loan while waiting for their home to sell. This allows them to place a competitive, cash-in-hand offer while keeping the moving process as simple as possible. You can take out a bridge loan for up to 80% of your home's value. Bridge loan interest rates typically range between 8-11% and have stricter qualification criteria than a regular mortgage. If you are able to qualify for a bridge loan, it can help reduce the logistics of your move. If you are unable or would prefer not to take out a bridge loan, consider selling your home first and renting to bridge the gap.

### The Pros

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- Competitive offer
- No financial gap
- No double move
- No rentback

### The Cons

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- Higher Credit Needed
- Double mortgage
- High interest rates
- More paperwork

## THE BOTTOM LINE

Taking out a bridge loan can be a great option if you have excellent credit, high income, good equity in your current home, and experience with the buying and selling process. There's plenty of options if you're unable or would prefer not to secure a bridge loan.



# The Double Mortgage

If you qualify with a mortgage lender, you may choose to hold a mortgage on your current home at the same time as buying a new home. This would require a higher Debt to Income ratio and enough cash savings for an initial down payment. Your mortgage payment on the new home would be higher since you are not able to transfer current equity to the next mortgage. You may choose to refinance later or use the equity as savings or another form of investment.

## The Pros

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- Competitive offer
- Relaxed schedule
- One move
- Sell after your move option

## The Cons

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- More complicated to qualify
- More cash needed
- Financial overlap

## THE BOTTOM LINE

This is potentially the best option for those who qualify. Finding a lender with a program that suits your needs is imperative. Ask your realtor for advice on which lender can help you best. Choosing this option allows you to list your home for sale only after finding a home. You may even be able to wait to list until after you move out, making the process incredibly less stressful!



# Strategic Pricing to Maximize Profit

## COMPARATIVE MARKET ANALYSIS

An in-depth study of the recently sold. Pricing your home depends on a number of factors, from size, condition, layout and location.

## HOME CONDITION INTERVIEW

Considering the upgrades, renovations you have made, as well as helping you determine which projects aren't necessary to sell.

## MARKET VALUE

When you price your home competitively, you will have multiple buyers competing for the home, which ultimately increases the final sale price.

## APPRAISAL GAPS

Buyers offering above the list price need to also cover the gap in appraisal. An expert negotiator can help you choose the best offer out of a selection so that you are most likely to close.

## COMMUNICATION

Ultimately, how you price your home is your decision. Relying on an expert guidance will allow you to net the most profit to transfer your equity to your new home.

# Key Terms to Know in the Homebuying Process

## **APPRAISAL**

**A professional analysis used to estimate the value of a home.**

A necessary step in validating a home's worth to you and your lender as you secure financing.

## **CLOSING COSTS**

**Fees required to complete the real estate transaction. Paid at closing, they include points, taxes, title insurance, financing costs and items that must be prepaid or escrowed.**

Ask your lender for a complete list of closing cost items.

## **CREDIT SCORE**

**A number ranging from 300 – 850 that is based on an analysis of your credit history.**

Help lenders determine the likelihood you'll repay future debts

## **DOWN PAYMENT**

**Down payments are typically 3 – 20% of the purchase price of the home. Some 0% down programs are also available.**

Ask your lender for more info.

## **MORTGAGE RATE**

**The interest rate you pay to borrow money when buying a home.**

The lower the rate, the better.

## **PRE-APPROVAL LETTER**

**A letter from a lender indicating you qualify for a mortgage of a specific amount.**

This is a critical step in today's competitive market.

## **REAL ESTATE PROFESSIONAL**

**An individual who provides services in buying and selling homes.**

Real estate professionals are there to help you through the confusing paperwork, find your dream home, negotiate any of the details that come up, and so you know exactly what is going on in the housing market.

# A REALTORS®

## Responsibilities

### BUYER'S AGENT

- Proactive showings — be first!
- Professional communication with listing agents and lenders
- Writing fast, well done contracts
- Market analysis for each offer
- Escalation clauses — when are they appropriate?
- Seller Bonus for signing early
- Inspection clauses
- Appraisal gaps
- What is important in inspection and how to object
- Coordinate all deadline to protect you as the buyer

### SELLER'S AGENT

- Prepare your home to sell — anticipate future issues and address them up front
- Estimated Seller Net Sheet — know your estimated profit BEFORE you sell
- Negotiate HIGHEST price, best terms, seller rent back, strongest buyer to close
- Analyze ALL offer for potential issues — deadlines, verify approval strength for loans, proof of funds, lender/agent communication
- Manage legal contracts and deadlines
- Coordinate with Appraiser to ensure the highest possible appraisal!
- Negotiate Inspection — did you know Inspection issues can cost Sellers 10s of thousands of dollars?

**OFTEN THE INSPECTION IS THE MOST IMPORTANT TIME TO  
HAVE A FIERCE ADVOCATE ON YOUR SIDE ORDER TO  
MAXIMIZE YOUR PROCEEDS AS POSSIBLE.**

# A Personalized Planning Session

Making a change is a big decision. By meeting with me, we can talk through your options and formalize a plan. I'm sure you have your own experience and thoughts about the real estate process. The Denver housing market is hot and having an agent who keeps you up to date on the trends is essential.

My contact information is below, text, email or call to connect with me.

Be well,

**Heather O'Leary**

*Always happy to help*

**Heather O'Leary,**

Realtor

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**exp**<sup>®</sup>  
REALTY

# Reasons to Hire Heather O'Leary as your Real Estate Professional



## CONTRACT EXPERTISE

I complete hours of continuing education credits learning about contract updates and issues and I can help teach you about the important sections when making offers. Knowing what is important on the contract can protect you from major problems and help you make good decisions.

## PREPARING TO SELL

I am a full service realtor who will help you through the entire process from before you decide all the way after you close on your new home. My services include professional home cleaning and staging report, high end marketing strategy, and more.

## NEGOTIATIONS

A fierce negotiator, I am your advocate throughout the whole process. Ask me about my statistics that demonstrate my ability to negotiate.

## MARKET EDUCATION

As a previous math teacher, I love teaching my clients about current market trends and what to expect. My clients benefit from learning about days on market, close to list price ratios, and more, all before we even start shopping. This way they are prepared to make competitive offers and avoid over paying



# Navigating the Denver Market

## **RECENT MARKET SHIFTS AND HOW IT AFFECTS YOU AS A BUYER AND A SELLER**

In 2022, the Denver Real Estate Market experienced a dramatic shift. January through May was a strong sellers market with homes selling within 4 days, bidding wars driving up prices and 18% appreciation up to the peak in May.

### **INTEREST RATES DROVE PRICES DOWN**

Beginning in May 2022, mortgage rates rose at the fastest pace in history as the FED worked to fight inflation. Buyer activity slowed in response, causing a market correction with prices down 8% from the peak.

### **AFFORDABILITY - PRICES AND INTEREST RATES**

Higher prices coupled with rising interest rates have created an affordability issue that is having an impact on buyer demand as many first-time home buyers are finding it difficult to qualify for a home. If you are a seller as well, you will benefit from lower prices and the ability to negotiate.

### **A NORMALIZING MARKET**

Even with the correction year to date, Denver home prices landed at the end of 2022 up in appreciation by 4.4%. Active listings were at all-time lows, as shown in the graph. With more inventory available the second half of 2022, and hopefully continuing in 2023 as well.

### **USING MARKET DATA TO MAKE SOUND DECISIONS**

A good agent should be able to help you analyze the data to both make competitive offers without overpaying and also strategically price your home.