



# HOOD HOMES BLOG

Everything You Need to Know About Fort Hood, TX Real Estate

## The Ultimate Fort Hood Area Home



# BUYERS

## Guide

Killeen ★ Harker Heights ★ Copperas Cove

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# INTRODUCTION

## Welcome to the Fort Hood Area!

*"I must say as to what I have seen of Texas it is the garden spot of the world. The best land and the best prospects for health I ever saw, and I do believe it is a fortune to any man to come here. There is a world of country here to settle." Davy Crockett*

If you're reading this, you are probably anticipating moving to or buying a home in the Fort Hood area.

Let me be the first to **congratulate you** and show you how **you are going to love** the Fort Hood area.

The "Fort Hood Area" includes the main Army installation of Fort Hood, of course, but also the cities that have grown up around the base:

- ★ **Killeen** (pop. 137,000)
- ★ **Harker Heights** (pop. 28,000)
- ★ **Copperas Cove** (pop. 33,000)

The area is definitely a "military town", including retirees. Of the Soldiers who retire from the Army while stationed at Fort Hood, **54.5% stay in the Killeen area**. Others come from families who were here long before Fort Hood was established. Still others find themselves coming to the Fort Hood area for the **Texas A&M Central Texas** campus, **nursing** and **education** jobs. The area's population has exploded over 50% since 2001, and is poised to grow still more with the completion of major transportation and infrastructure projects. **Killeen has the 6<sup>th</sup> fastest growing economy in the United States**.

### Fort Hood Quick Facts

- ★ Fort Hood is the **second largest military base by land** (214,968 acres) after White Sands Missile Range in New Mexico.
- ★ It is the **most populous American military installation in the world** (approx. 45,000 Soldiers)
- ★ Fort Hood has mostly **"heavy" units** like tanks, armored personnel carriers, heavy artillery and attack helicopters.
- ★ Home of 1<sup>st</sup> Cavalry Division and 1-7 CAV of **We Were Soldiers** fame.
- ★ **Elvis Presley** was stationed at Fort Hood during his time in the Army.

### Best Things About Fort Hood Living

- ★ **Stretch Your Dollar**. A low cost of living and affordable home prices means you can have quality living on almost any salary.
- ★ **Mid-size Town**. Unlike the surrounding areas at some notorious Army installations, Killeen is a good sized town with all the necessities.
- ★ **Texas**. If you're a Texan, you don't need this explained. If you're not a Texan, then you've probably already heard about Texas from your Texan friends. If you don't have any Texan friends, then you need better friends.
- ★ **Good Weather**. Hot, dry summers and warmer winters mean lots of chances to spend quality time outdoors.

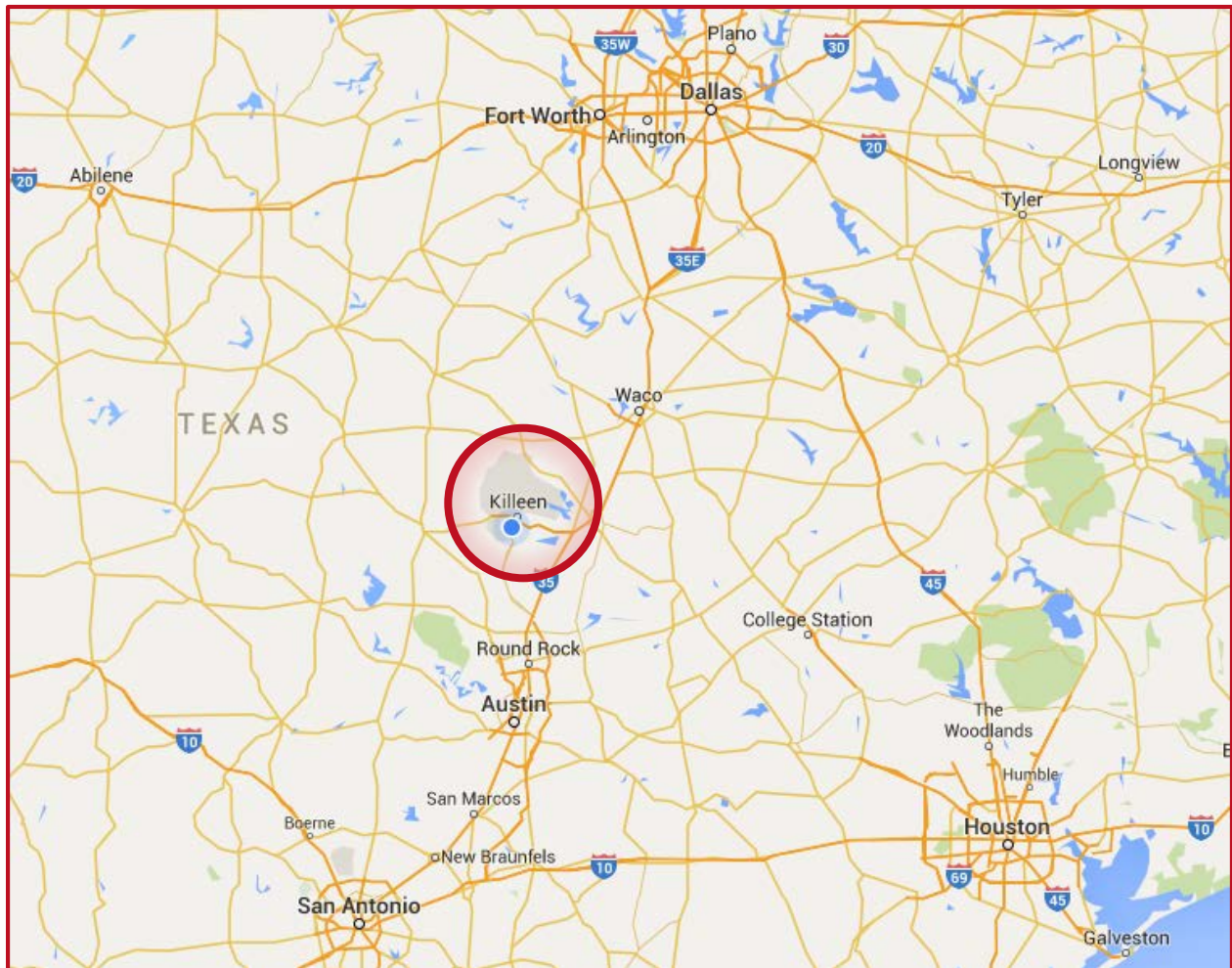


## A Big Picture of the Fort Hood Area

Fort Hood is located in Texas, America's second largest state by size (second only to Alaska) and second largest state by population (second only to California). Texas currently boasts very robust economic growth, and the urban metroplexes of Dallas/Fort Worth, Houston, Austin and San Antonio are four of America's fastest growing cities. Fort Hood is located right in the center of those cities, no more than three hours' drive from any of them.

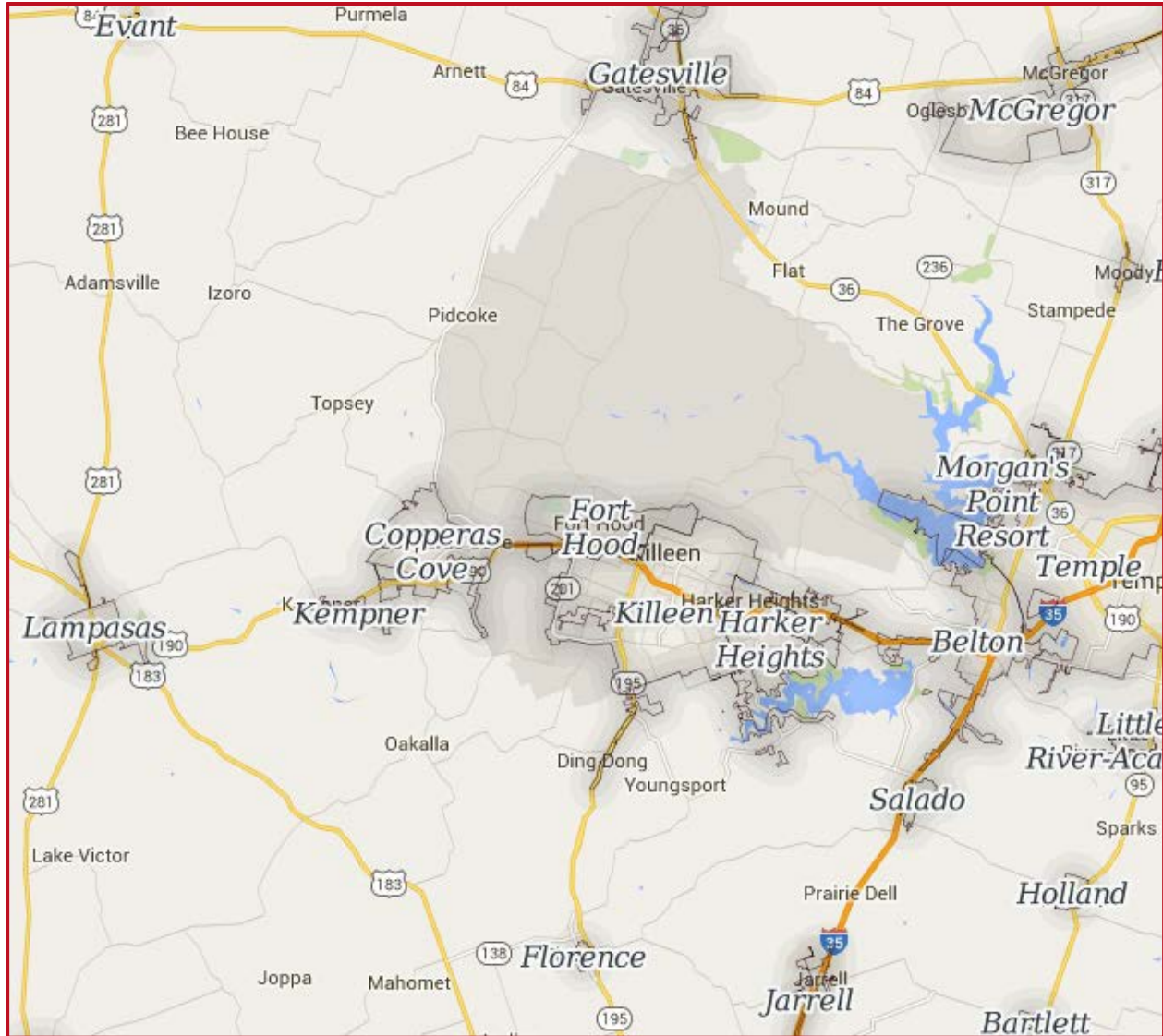


Map courtesy of [Wikimedia Commons](#)



Map courtesy of [Google Maps](#)

**Fort Hood is a HUGE installation**, as you can see from this picture alone (the gray area surrounding Killeen is Fort Hood – the blue dot is me at our StarPointe Realty office!)



Map courtesy of [www.maptechnica.com](http://www.maptechnica.com)

The Fort Hood Area includes most of the homes in the map above, though many Lampasas real estate homes are part of the Highland Lakes. Temple and Belton is a separate market, too, with a separate Board of Realtors. And Jarrell is the start of the Williamson County board and Austin real estate market.

## Economy

Employer	# Employees	Employer	# Employees
1. Fort Hood	40,820	4. Government	6643
2. Defense Contractors	13,284	5. Healthcare	1971
3. Education	7675	6. Call Centers	1938

Data from the [Greater Killeen Chamber of Commerce](http://GreaterKilleenChamberofCommerce.com)



## Buy or Rent?

Advantages	
BUYING	RENTING
<ul style="list-style-type: none"><li>★ <b>Build Wealth.</b> Pay rent for 30 years, you're still renting. Pay a mortgage for 30 years, you own a house.</li><li>★ <b>More and Better Home Options.</b> Even good landlords don't buy the expensive carpet padding. Homes for sale can be much higher quality than rental alternatives. Or the opposite, if you are looking for a fixer-upper foreclosure option that would be cheaper than rent. Also, good luck finding a rental outside the city limits with some land and space, if that's your cup of tea.</li><li>★ <b>No Property Manager/Landlord.</b> FREEDOM! Buying frees you from following the landlord's rules, like dog restrictions. Have guests over whenever and for how long you want. Plant a Dogwood and a pergola if you want (city/HOA regulations allowing). Also, Killeen property managers are hit or miss on quality (See <a href="#">here</a>, <a href="#">here</a> and <a href="#">here</a>.)</li><li>★ <b>Tax Benefits.</b> Mortgage interest is tax deductible, usually several \$1000s a year.</li><li>★ <b>Stability.</b> You won't get kicked out after 12 months because the landlord got "PCsed" back to Ft. Hood and wants to move back in.</li><li>★ <b>"House Hack"</b>. An investing technique. Buy with great owner occupant financing terms and turn it into an awesome rental when you move in a few years (or buy a fourplex/duplex and start collecting rent today).</li></ul>	<ul style="list-style-type: none"><li>★ <b>Flexibility.</b> Gotta scoot? Put in your 30 day notice and you're gone. Owners have to rent out their home, which could take months, or sell it, which could take even longer.</li><li>★ <b>Not responsible for all the costs.</b> Normal wear and tear – that's the owner's problem, not yours.</li><li>★ <b>Predictability.</b> Your rent is your rent, and, unless you broke it, major repairs are going to be on the owner, not you.</li><li>★ <b>Bad Credit Options.</b> Property managers and landlords care about credit, too. But there are more options than draconian, rule-bound home lenders for those with marginal credit scores.</li><li>★ <b>Quick Move-In.</b> Even if you pay cash, the quickest you could buy a home would be a week. Usually it will take 6 weeks with a lender. Renters sign the lease and move in the same day.</li></ul>

If you're not sure which is right, **schedule a buyer consultation** with us and we can review your own specific circumstances, needs and wants.

# MILITARY PERSONNEL

## Living on or Off Post?

Advantages	
OFF-POST	ON-POST
<ul style="list-style-type: none"><li>★ <b>Receive BAH.</b> And you can pocket whatever you don't spend on rent/mortgage/utilities.</li><li>★ <b>More and better home options.</b> On-post housing can be hit or miss regarding quality. Off-post, and the world is your oyster.</li><li>★ <b>No taps/reveille/most Army noises.</b> You can't get away from artillery booms and the occasional C-130 or Apache, but you (or your spouse) won't have reveille blaring from the loudspeakers every morning at 0630.</li><li>★ <b>More school options.</b> In case the on-post schools don't meet your family's needs.</li><li>★ <b>Get away from the Army.</b> Sure, you are not much farther away (unless you're living as far as Temple, Georgetown or Lampasas), but you're not completely surrounded by "Army" 24-7.</li></ul> <p><b>If Buying:</b></p> <ul style="list-style-type: none"><li>★ <b>Build Wealth.</b> Use your BAH for a mortgage payment instead of rent, and in 30 years you own a house free and clear. If on-post, you'll own...nothing.</li></ul>	<ul style="list-style-type: none"><li>★ <b>Closer to work/PT.</b> Most of Killeen is a 20 minutes' drive to PT in the morning. Unless you're on post, and then it is 5 minutes, so you can sleep in 15 minutes later. And maybe slip home for lunch. And it's not a big deal when at the gym and you realize you forgot your patrol cap at home.</li><li>★ <b>Close to the commissary/PX.</b> It's just darn convenient to take advantage of no-sales-tax shopping.</li><li>★ <b>Camaraderie.</b> All the other Army wives (and husbands) are on post, and the post amenities and MWR resources are handy.</li><li>★ <b>Don't have to pay for utilities.</b> While the BAH you would otherwise be receiving theoretically covers for utilities off-post, you don't have to pay directly for utilities on post.</li></ul>

Approximately **75% of Fort Hood families live off-post** according to the Greater Killeen Chamber of Commerce.

## How to PCS to Fort Hood the Right Way

Start Looking for Off Post Housing **EARLY**. Buying a home takes some time. Maybe a week or two if you are paying cash, but at least a month from contract to closing for most financed deals. According to the 2015 NAR Profile of Home Buyers and Sellers, the **average buyer spent 10 weeks searching homes to buy**.

For **rentals**, “PCS Season” is when school is out from June to August. Rentals go off the market fast during that time, and property managers are sometimes booking rentals months out.

You’re not likely to have a great selection if you show up without any advance work and think you’re going to find a quality home in your 10 days PTDY.



**Take Your Permissive TDY.** Preferably get your commander at your departing duty station to sign the PTDY paperwork so you can arrive at Fort Hood, sign into housing, and then take your ten days to do what you need without having to get your new chain of command’s blessing. When I first arrived to Fort Hood as a 2LT, I got the “you don’t *really* need those ten days, do you?” from my new commander.

### Fort Hood has Changed Since 1995.

Harker Heights is for Field Grades and SGMs.

Copperas Cove is for Jr. Officers and NCOs.

Killeen is for Joes (aka enlisted).

### Wrong!

I heard this when I first arrived in Fort Hood, and it is “wisdom” that has been passed around apparently since the beginning of the War on Terror. A lot has happened since then. The **population of Killeen has increased by over 50% in just 15 years**, and there has been a lot of new subdivisions built since then. Harker Heights is still the priciest city of the three, but sometimes you’ll end up paying more for the same house and neighborhood you could get in Killeen, just to have “Harker Heights” in your address. Meanwhile, Copperas Cove is a complete mix, with beat up homes, mansions, and everything in between.

Check out the [PCS Checklist](#) from Military.com.

**PCS Checklist**

# How much home can you afford with the Fort Hood BAH?

Soldiers living off-post have their military pay supplemented with a **Basic Allowance for Housing**, or BAH. This number changes from post to post, and is dependent on the local area's **cost of living**. Fort Hood and the surrounding community is **one of the more affordable areas**, so the BAH rates tend to be fairly low.

Soldiers do not have to “use up” their BAH on mortgages or rent. As long as they are not living on post, **they can get the entire BAH no matter what their housing actually costs**. This is why many Soldiers can “save” money by living off post – by living in accommodation cheaper than their BAH, or by finding roommates to help split the cost. It is one major advantage to living off-post.

A common mistake Soldiers make is budgeting off of their BAH without factoring in utilities. **BAH is designed to cover rent and utilities** (not mortgages, though mortgages are often close if slightly more affordable than the rent for comparable housing). For example, an O3 with dependents might tell their lender they want to stay under the \$1536 BAH. Using \$1536 as the target mortgage payment, the lender might advise a budget of \$205,000 at a 4% interest rate. But factoring in utilities, the Captain would be better advised to keep to \$176,000 or under if he wants the \$1536 to cover his mortgage AND utilities.

Obviously no one is bound to these prices. Many spend more than their BAH on housing, many save money and spend less. **Don't budget your housing allowance on your BAH alone**, but what your personal finances dictate.

## Roommates

Another popular method of buying homes is getting together roommates to help with the mortgage costs. I've found that this technique is especially among young officers just out of BOLC (Basic Officer Leadership Course). Usually one person buys the home and has one or two roommates who rent it out with him. The danger of this is you can still buy too much home, and when you all PCS, the buyer is going to be responsible for the whole mortgage.

The next page contains a chart estimating the home budget based off of current BAH by grade.

## Chart Assumptions

- Credit Score of 620 or better
- VA loan (no mortgage insurance)
- Annual insurance is 0.8% of the home value
- Annual taxes are 2.4695% (Killeen tax rate) of the home value
- Annual utility costs (water, trash, electricity, gas) are 1.5% of the home value

## ENLISTED

Grade	With Dependents			Without Dependents		
	BAH/mo	Home Budget		BAH/mo	Home Budget	
<b>E-9</b>	\$ 1,575	\$ 158,000	to \$ 180,000	\$ 1,212	\$ 122,000	to \$ 139,000
<b>E-8</b>	\$ 1,473	\$ 148,000	to \$ 168,000	\$ 1,182	\$ 119,000	to \$ 135,000
<b>E-7</b>	\$ 1,362	\$ 137,000	to \$ 156,000	\$ 1,155	\$ 116,000	to \$ 132,000
<b>E-6</b>	\$ 1,263	\$ 127,000	to \$ 144,000	\$ 1,149	\$ 115,000	to \$ 131,000
<b>E-5</b>	\$ 1,158	\$ 116,000	to \$ 132,000	\$ 1,086	\$ 109,000	to \$ 124,000
<b>E-4</b>	\$ 1,152	\$ 116,000	to \$ 132,000	\$ 966	\$ 97,000	to \$ 110,000
<b>E-3</b>	\$ 1,152	\$ 116,000	to \$ 132,000	\$ 966	\$ 97,000	to \$ 110,000
<b>E-2</b>	\$ 1,152	\$ 116,000	to \$ 132,000	\$ 966	\$ 97,000	to \$ 110,000
<b>E-1</b>	\$ 1,152	\$ 116,000	to \$ 132,000	\$ 966	\$ 97,000	to \$ 110,000

6% Int. Rate

4% Int. Rate

6% Int. Rate

4% Int. Rate

## OFFICERS

Grade	With Dependents			Without Dependents		
	BAH/mo	Home Budget		BAH/mo	Home Budget	
<b>O7+</b>	\$ 1,785	\$ 179,000	to \$ 204,000	\$ 1,572	\$ 158,000	to \$ 180,000
<b>O6</b>	\$ 1,767	\$ 177,000	to \$ 202,000	\$ 1,542	\$ 155,000	to \$ 176,000
<b>O5</b>	\$ 1,749	\$ 175,000	to \$ 200,000	\$ 1,437	\$ 144,000	to \$ 164,000
<b>O4</b>	\$ 1,662	\$ 167,000	to \$ 190,000	\$ 1,374	\$ 138,000	to \$ 157,000
<b>O3</b>	\$ 1,536	\$ 154,000	to \$ 176,000	\$ 1,224	\$ 123,000	to \$ 140,000
<b>O2</b>	\$ 1,260	\$ 126,000	to \$ 144,000	\$ 1,158	\$ 116,000	to \$ 132,000
<b>O1</b>	\$ 1,170	\$ 117,000	to \$ 134,000	\$ 1,146	\$ 115,000	to \$ 131,000
<b>O3-E</b>	\$ 1,596	\$ 160,000	to \$ 182,000	\$ 1,263	\$ 127,000	to \$ 144,000
<b>O2-E</b>	\$ 1,521	\$ 153,000	to \$ 174,000	\$ 1,203	\$ 121,000	to \$ 138,000
<b>O1-E</b>	\$ 1,386	\$ 139,000	to \$ 158,000	\$ 1,161	\$ 116,000	to \$ 133,000
<b>W-5</b>	\$ 1,641	\$ 165,000	to \$ 188,000	\$ 1,389	\$ 139,000	to \$ 159,000
<b>W-4</b>	\$ 1,587	\$ 159,000	to \$ 181,000	\$ 1,287	\$ 129,000	to \$ 147,000
<b>W-3</b>	\$ 1,542	\$ 155,000	to \$ 176,000	\$ 1,215	\$ 122,000	to \$ 139,000
<b>W-2</b>	\$ 1,407	\$ 141,000	to \$ 161,000	\$ 1,179	\$ 118,000	to \$ 135,000
<b>W-1</b>	\$ 1,266	\$ 127,000	to \$ 145,000	\$ 1,152	\$ 116,000	to \$ 132,000

6% Int. Rate

4% Int. Rate

6% Int. Rate

4% Int. Rate



# HOW TO BUY A HOME

## STEP 1: FIND A REALTOR®

*“But I’m not ready to see homes yet!”*

Perfect! Realtors® aren’t just tour guides. A good agent will **ensure you are starting on the right foot** by giving you a broad overview of the market. I’m shocked when I get a call from a new buyer asking for a home with at least 2 bedrooms and under \$200,000 in Killeen. *A two bedroom home under \$200,000!* The median 2 bedroom home sold for \$49,300 in 2015! It just shows how some buyers have wildly different expectations depending on what part of the country (or even Texas) they are coming from, *and don’t even know it*. **Talking to a Realtor® first can get your mind right on what to expect** from the Fort Hood market.



In 2015, **87% of buyers used a Realtor®** on the buying side and, except for some unique occasions, the other 13% probably should have used an agent, too. Here are some reasons to **talk to a Realtor® as your very first step** when buying a home:

- ★ **Fewer Surprises.** An agent can ensure you know what to expect for your dollar in the local market.
- ★ **Smooth out Problems.** It seems like every deal has a new and unique wrinkle. Agents have accumulated valuable **experience** solving these countless and diverse real estate problems.
- ★ **Stay Protected.** An agent is a licensed expert at the home buying process and **lends their expertise** to ensure you are protected in the contract and during the due diligence phase.
- ★ **Negotiate Confidently.** Agents have **local knowledge** about what sellers may already be expecting to contribute toward closing costs, home warranties, title policies, surveys and repairs. You may be leaving these on the table if you didn’t know the seller was ready to give it to you if you had asked.
- ★ **Find the Right Home.** Nobody knows what you want better than you, but an agent who has visited thousands of local homes can brainstorm ideas that may not have been on your radar.
- ★ **Pay Nothing Extra.** All this, and you don’t even pay for it. **The seller pays commissions.**



## Buyer Consultation

You're looking online, see a house you really like, call the Realtor® and ask if you can go see it TODAY!

*Hopefully not.*

Instead you should **schedule a consultation with your agent first thing**, either in person (ideally) or over the phone. It should only take 30 minutes or so. Here are the reasons why:

1. First and foremost, it is about **safety**. Realtors® don't want to meet a complete stranger at some other complete stranger's vacant home. Alone.
2. Secondly, it is about **doing our job**. If a Realtor is going to be any help, they need to first understand more about you, your family, what you're looking for, the circumstances of your move and what is important to you. Only then can we make meaningful contributions to your home search.
3. Thirdly, it shows **seriousness** on your part. There are a lot of "tire-kickers" out there who want to see homes but aren't serious about buying. Inexperienced agents will waste their time chasing these buyers from one home to the next, with nothing to show for it. Experienced agents avoid tire kickers altogether, by connecting with the buyer at a consultation and becoming an asset and guide for the buyer, not a house-peeping buddy.
4. Lastly, the Buyer Consultation also serves as a chance to **interview the agent** – to see if the agent is your cup of tea or not. You'll want to learn as early as possible if an agent is not going to work for you. Interview multiple agents. Once you're comfortable moving forward, it is time to sign the "Buyer's Rep".

## Buyer's Representation Agreement

Fairly early in the process you will want to sign a Buyers Representation Agreement, or "Buyers Rep", with the agent of your choice. This agreement makes them officially your agent for the time specified. By default under Texas law, all agents automatically represent the seller unless you have a Buyer's Representation Agreement stating otherwise.

**Without a Buyer's Representation Agreement,  
your agent represents the seller, not you!**



Signing a "Buyer's Rep" creates two main responsibilities, one for you and one for the agent. The agent is now officially your agent, and has a **fiduciary obligation to you** (see more about OLD CAR on the next pages). The second responsibility is to you, the buyer, to the agent – to **work exclusively with that agent** for the duration of the agreement (usually 3 – 6 months).

## 6 Criteria to Help Choose an Agent

**1. Reviews.** Most established agents will have reviews. Somewhere. There are lots of different places they may have reviews – the Yellow pages, their Facebook page, Yelp, Zillow, Trulia. If you can't find any searching online, **ask them where they keep their reviews**. As an agent, it is difficult to please everyone, but enough reviews should paint a picture of their **strengths** as an agent.

**2. Designations and Certifications.** Agents can earn professional **designations** like GRI, CRS, ABR, ePro, SFR and others. Most of these designations require coursework and regular membership fees. Generally, **designations can be a good clue as to who has invested the most into their job** and profession. Designations I would recommend looking for are the **GRI (Graduate Realtor Institute)** and **CRS (Certified Residential Specialist)**. You may look for other specific designations, like the Short Sales and Foreclosure Resource (SFR) or Seniors Real Estate Specialist (SRES) for specific needs. Most agents will list their designations after their name in their business card or email signature.

**3. Experience.** Every agent has to start somewhere. I had a buyer and a seller who were both willing to take a chance on me, being my first client. And experience can work the other way, too, when more experienced agents have a hard time adapting. But **real estate has a steep learning curve**, and experienced agents are likely to be better prepared and bring more to the table. Experience for agents come not with the number of years, but the **number of transactions**. Ask your agent how many transactions they've done in the past year. In the Fort Hood Area, anywhere from 15-50 (not including teams, who can handle many more transactions) is a typical workload of an engaged agent. If the agent has fewer, find out why. Finally, if they click with you on a lot of other levels and have a **good brokerage with support**, they may still be a good fit for you.

**4. Knowledge and Rapport.** Interview agents. If you have a few agents you are considering, arrange a time to meet with them just to ask questions, or do so during the Buyer Consultation. Interviewing them is good way to evaluate both how knowledgeable the agent may be and how well you get along. Also, agents with a strong online or professional presence, perhaps with a blog with lots of local information (wink wink!) likely have demonstrated knowledge of the market can be a great find!

**5. TREC Violations.** The Texas Real Estate Commission (TREC) regulates real estate brokerages and keeps a record of disciplinary actions against agents and brokers. You can search an agent's history **here**. I've met some great agents who have been fined or otherwise disciplined at one point or another, so it is not a fool proof method of evaluating an agent. But it is still good information.

**6. Membership in the Local Board of Realtors®.** All real estate is local. And so should be the Realtor®. Take a 30 minute drive in any direction and you've entered a completely different and unique real estate market. You want an agent who actually lives in the area that you are buying in, and belongs to the local board. Most people may not realize it, but there is a different MLS system for every region of Texas. Just in our area, for example, is the Fort Hood Area MLS, the Temple-Belton MLS, and the Austin MLS. Realtors® are seldom a member of more than one or two. **If you are looking in the Fort Hood area, you want an agent who is one of the approximately 400 Realtors® that is a member of the Fort Hood Area Association of Realtors (FHAAR).**

## What to Expect from Your Agent

Realtors® have ethical obligations to their clients under the Code of Ethics. These ethical and legal requirements can be broadly distilled into a few basic points using the mnemonic, OLD CAR.

**O: Obedience.** Your agent must obey your instructions, as long as they do not violate the agents' other ethical responsibilities. An agent is your adviser. They make recommendations, but the decisions are all yours. If a client's instructions are unreasonable, an agent can of course choose to terminate the relationship.

**L: Loyalty.** Loyalty means looking out first for the buyer's best interests, even before the agent's own interests. An agent cannot go commission chasing – either showing you their own listings exclusively or steering you toward listings with bonuses. It also means, when negotiating or presenting your offer, we have to passionately advocate for your decisions, even if we personally recommended against them.

**D: Disclosure.** This responsibility can extend even to people with whom the agent has no official relationship. For example, if I am the listing agent and know about a defect concerning the property, I must disclose it to buyers, even if the seller doesn't disclose it. Any material facts I am aware of, it is presumed that my client is aware of as well, because it is my responsibility to share that information.

**C: Confidentiality.** This responsibility extends beyond the duration of the representation agreement into eternity. Anything an agent learns about you as a client – your personal finances, what you are willing to offer – is confidential. This one can get interesting if I have two buyers interested in the same home. I cannot share what one buyer is offering on the home to my other buyer, even if I know my other buyer's offer is better. It's confidential.

**A: Accountability.** Agents are responsible to keep proper documentation and records, and not commingle any money like earnest money or option fees that are in their possession.

**R: Reasonable Care.** Your agent has a catchall responsibility to be competent. That means doing basic minimum tasks like preparing market analyses for buyers and sellers, knowing the market, understanding and correctly filling out paperwork, and accomplishing other basic tasks.

Remember, an agent generally does not have any of the obligations until you are their client. That means having a signed **Buyers Representation Agreement**, so it is a good idea to get those signed as early in the process as you are comfortable.

Schedule a Consultation

## STEP 2: FIND A LENDER

Paying Cash? Skip this section! All you will need is “proof of funds”



### What Credit Score Do I Need?

It depends on the type of financing and the lender. **As a general rule, a 620 or higher** is going to be just fine. Lower than that may still be doable, however. **Talking to a lender is the only way to know** – at a minimum, they can highlight what items you need to work on and give you an action plan and timeline on how to fix your credit so you can be in a good position to buy later.

### How to Choose a Lender

- 1. Go local.** Focus on loan originators that are local. They may be part of a national franchise, but you want the loan originator themselves in your town so that they know your Realtors®, know your insurance rates and taxes and typical seller concessions. Local lenders are highly preferred over out-of-state, often online companies.
- 2. It's not about the rates.** Lenders are able to play all sorts of games with the rate and costs of a loan. They can, for example, offer a lower rate, but wrap more origination points into the loan. **The only way to compare a lender's true cost is to compare lenders' Loan Estimate**, formerly known as the Good Faith Estimate (GFE), which you will receive from each lender after earning a preapproval. The Loan Estimate strips out the money shell game and quotes you your actual apples-to-apples loan costs.
- 3. It's not all about the money.** A more expensive lender may have attributes worth more than just money to you. While lending has a lot of black and white rules, there is also a subjective gray area. A proactive and experienced loan originator can help with to get you over obstacles, persuade the underwriter to say “yes”, or ensure you close on time, all of which can easily be the difference between buying and not buying. Such lenders might be worth a little extra.
- 4. Don't assume the builder's lender is the right lender.** Yes, the builder and their lender may have a special deal between themselves to help pay off closing costs. And yes, often the builder's lender is an option worth considering. But not always. For example, the lender may not participate in Tex Vet, which may be far more financially rewarding to you than the builder's lender's terms. Also, seller concessions with a builder are negotiable, too, and it is worth a try to get the builder to contribute to your closing costs even if you have a lender that is not their preferred one.

5. **Don't assume your Realtor® knows a good lender.** A Realtor® is an **EXCELLENT** source for lender recommendations, especially local options. But be sure to still explore other options. Lending is not a Realtor's® core competency, and the lending rules are so vast and complex, that it is not practical for an agent to be an expert. Do some of your own due diligence, and then run what you find past your agent. Get their feedback and recommendations, but don't limit yourself to a real estate agent's loan expertise.

Remember, **you will never pay your lender directly for anything.** They will get their fees at the closing table from the closing costs and from your mortgage payments thereafter.

You are also not bound to a lender who gave you a preapproval, even after you are under contract for a home. Definitely **decide on a lender as early as possible** (remember, the lender is the biggest hold up during the process), but it is possible to switch lenders midstream if absolutely necessary.

## Types of Loans

What loan types are available to you as a buyer?

These loans apply to **owner-occupied loans**, meaning only homes you are intending to live in yourself. Investment homes will either be looking at an investor conventional loan (typically a 25% down payment) or alternative financing.

**Conventional.** "Normal" mortgages, usually requiring a minimum **5% down payment** and typically requiring slightly **higher credit scores and debt-to-income ratios** than the other government subsidized loans types. Terms can be competitive with government subsidized loans, and, unlike FHA, you can lose the mortgage insurance premium after you achieve approximately 20% equity. Conventional loans also **don't have as restrictive requirements** regarding the condition of the home that FHA and VA have.

**FHA (Federal Housing Administration) Loan.** If your debt-to-income ratios are a problem, the FHA loan opens doors. It also has a **low minimum down payment requirement of 3.5%**. Its downside is that it comes with mortgage insurance premiums that last the lifetime of the loan. FHA also has one of the only loan types that allows you to finance repairs into the loan (the FHA 203k program).

**VA Loan.** Available to Soldiers and Veterans, this loan has **no down payment, competitive rates, and no monthly insurance premium.** It does have a one time VA funding fee (currently about 2.15% of the loan for first time VA loan users) that can be financed into the loan. **Usually the right option for anyone eligible looking for a home.** You can also **use it more than once**, for a maximum of two homes concurrently financed with VA lending.

**Tex Vet.** A Texas Veterans Land Board program available only to legal residents of Texas, this loan type is not a separate loan but can be used in conjunction with most of the other loan types, though most



commonly with the VA loan. It has its own rates which can sometimes be competitive, however it also has an **additional funding fee**. For veterans with **30% VA disability or greater**, it also reduces the rate further by an additional 0.5%, making this loan usually the **right option for Texan veterans with some VA disability**.

**USDA Loan.** The home purchase program of the USDA is available for properties **outside the city limits**. Like the VA loan, it has a 0% down payment and competitive rates. It is usually reserved for first time home buyers, and your income cannot exceed a certain threshold. **It is usually a great option for anyone looking at living on the edge of town or beyond.**

**Jumbo Loan.** In Texas, most homes **over \$417,000** would require a Jumbo Loan. The strict definition is loan sizes too large to be bought by Fannie Mae or Freddie Mac on the secondary market. Lenders consider these higher risk, and will usually require 20-30% down payments and charge higher interest rates. Only a very few properties in Bell and Coryell Counties currently sell in this range, although you may have need for it closer to Austin.

**Owner Financing.** Not exactly a loan, but sometimes an option. If the **seller owns 100%** of the property (i.e. they don't have to pay off their own mortgage), they can offer to owner finance the home – essentially become your lender themselves. Usually the terms will be **higher than market rates** and a **larger down payment** (e.g. 20%). But the other terms are far **more flexible** and it is geared toward **buyers who don't qualify for any of the other types of financing above**. Most homes on the market don't offer or advertise owner financing, but that doesn't mean any seller might be open to the idea if you ask. Outside the MLS, places like Craigslist are good places to find properties for sale where the owner is offering owner financing. **Realtors® can still help and do owner financing deals**. In fact, it is probably all the more important to have a Realtor® on your side if you are doing owner financing.

***"I'm getting a loan from the VA!"***

No, you're not. The VA, FHA, and USDA do not make loans themselves. Rather, they subsidize loans that normal banks, lenders and mortgage brokers make. **You can't go directly to any of these government departments for a loan**. Even if you meet the eligibility requirements for a loan, e.g. you are an eligible Service Member for the VA loan, **you still must qualify** with an adequate credit score and debt-to-income ratio.

**Approximately 54% of Fort Hood home buyers use the VA loan** due to the dominance of military and veterans in the community.

Type of Buyer Financing Used in the Fort Hood Area, 2014

VA	Cash	Conventional	FHA	Owner Finance	Other
1506	516	440	263	21	37
54%	19%	16%	9%	1%	1%

As a result, local lenders tend to be far more familiar with the VA loan program than national lenders or lenders located primarily in areas without a strong Service Member presence.

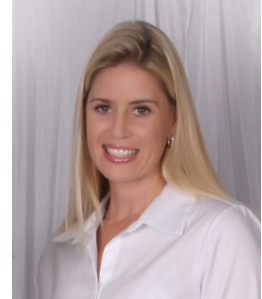


## Recommended Local Lenders

I recommend talking to a lender early to get a feel for your finances and what mortgage options are available to you. I've used the following mortgage brokers both for my own lender and my clients' lender.

### Tanja Allen

Fairway Independent Mortgage Corporation  
101 W. Knights Way, Ste. F  
Harker Heights, TX 76548  
Office: (254) 449-8264  
Cell: (254) 681-0163  
[tanjaa@fairwaymc.com](mailto:tanjaa@fairwaymc.com)  
[www.tanja-allen.com](http://www.tanja-allen.com)



### Robert Pippin

SWBC Mortgage Corporation  
4524 S W S Young Dr., Ste. #101  
Killeen, TX 76542  
(254) 634-2822 (office)  
(254) 931-4244 (cell)  
[rpippin@swbc.com](mailto:rpippin@swbc.com)  
[www.swbcmortgage.com](http://www.swbcmortgage.com)



### FOR TEXAS VETERANS

Be sure to ask any lender about the "**Tex Vet**" Program. Used in conjunction with the VA Loan, it offers its own, competitive rates, and a 0.5% rate drop for veterans with at least 30% VA disability, meaning a **tremendous discount** to your rate, saving you potentially \$10s or \$100s a month on your mortgage.

### Request a Mortgage Preapproval

**Now.** Stop reading this and **do it!**

Talking to a lender about a preapproval is the **first step** to buying a home, and **costs you nothing!** A lender can let you know where you are at with your finances, **how much you can afford**, and what you need to do to get the **best deal possible**, useful information no matter how far away you are from actually buying a home.

Contact Lenders

# STEP 3: SEARCH HOMES

## Where to Search

The best place to search are an agent's or brokerage's website. Unlike sites like Zillow, these sites pull directly from the MLS and should have the most complete and accurate picture of what is available.

Advanced Search

Map Search

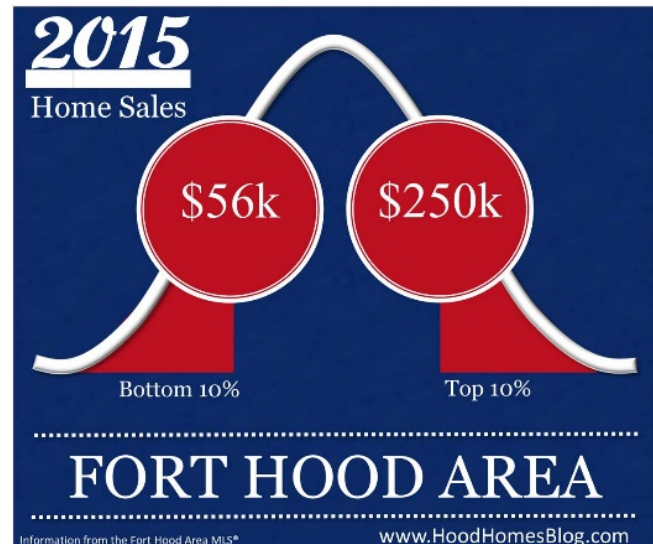
HOA Neighborhoods

## Expectation Management

The most expensive home sold on the Fort Hood Area MLS went for **\$1.7M** (in Belton). Unless you've got that kind of cash, it is highly likely you will have to compromise on your wish list.

Fortunately, Fort Hood has an **excellent cost of living**. In 2015, the top 10% of homes, the Fort Hood "luxury" market, began at just \$250,000, and the average sales price in Killeen is about \$120,000 for a 4 bed / 2 bath.

When planning out what you want in a home, **put together a list of these three things** and share them with your agent. This will help keep you focused on what you *need* and keep you from overspending.



★ 3 "Must Haves"

★ 3 "Would Likes"

★ 3 "Must NOT Haves"

## Budgeting your Home

**Your lender is going to be your #1 resource when choosing a home budget.** They can let you know your max budget and what your mortgage payment would look like at different prices. As a very oversimplified starting guideline, **your monthly mortgage payment should not be more than about 28% of your monthly income** (this is called your front-end ratio). Less is even better!

## 9 Tips to Avoid Overspending

**1. Don't spend everything you are pre-approved for.** When your lender preapproves you, they will often give you the HIGHEST number they would be willing to lend to you – if your debt-to-income ratios were stretched to their breaking points.

Don't stretch your budget to the breaking point.

A home is just like any other purchase. Just because you *can* spend something doesn't mean you *should*. If a lender preapproves you for \$250,000, but you are finding homes that meet your needs for less, then don't sweat it. **Spend less** and figure out what you want to do with all the money you saved!



**2. Don't shop for things you don't need.** Remember the 3s? 3 Must Have, 3 Would Likes, and 3 Must Not Haves. Focus within those and don't get caught up in a home that has more than what you really need. Don't fall in love. Stick to your senses.

That doesn't mean it's a bad idea to see homes at different budgets and get a feel for the market – I do that with buyers all the time. But have a list of what you need in a home and stick to it.

**3. Budget in terms of mortgage payments, not sales price.** Can you afford a \$200,000 home or a \$300,000 home?

Who knows? That doesn't really mean anything until you see what that means in terms of mortgage payments. Can you afford \$1200 or \$1700 a month? Now that makes more sense. **Once you've determined a monthly mortgage budget, your agent can work backwards from that number to figure out your price range.**

Also, mortgage rates, appreciation, inflation, markets and terms are changing all the time. Someone who could afford \$200,000 one month might only afford \$150,000 a few months later. Or vice versa.

**4. Budget for utilities.** Your mortgage doesn't cover utilities. Your Texas home isn't going to be so great if you can't keep the A/C powered with electricity. Be sure you are considering those unavoidable

expenses. Depending on the size of the home, I would budget \$100-\$250 for electricity/gas, and \$100-\$150 for water in the Fort Hood area.

**5. Budget for maintenance.** For myself and the investors I work with, I recommend **budgeting at least 10% of the monthly mortgage toward repairs and maintenance** that may come up. Just as it is for investors, this is good counsel for homeowners. If your mortgage is \$1200, budget \$1320 instead, setting aside \$120 a month to a repair fund to pay for little things like air filters and HVAC services, or bigger things like new appliances or repairing the pipe you let freeze over winter.

**6. Save.** What if you lost your job? Or had an accident? How many months could you continue making mortgage payments?

I recommend keeping a good amount of savings specifically allocated just for that purpose, ideally with **six to twelve months' mortgage payments** ready and waiting. Having that handy will be a tremendous peace of mind and help in the event you have to go through some life transitions down the road.

**7. Think about the future.** Is this home designed to be your dream home in which you expect to retire and eventually be found cold and stiff in your bed?

If not, then maybe you don't need as much in a home, yet. Think more about the utility of the home, and save a little on your mortgage each month so that in 5, 10, 20 years when it is time to upgrade into your dream home, you have the resources to get what you want and can afford then.

**8. Have a back-up plan.** Life's natural unpredictability shouldn't stop you from buying a house. Homes are a big commitment that will extend out many years and even decades. A lot can change in that time, but the rewards of homeownership are often worth it.

It is still good to have a backup plan. Pick a home with **good resale value**, in case you have to sell it down the road. The weird Art Deco home surrounded by traditional ranch bungalows might fit your Bohemian tastes perfectly, but might also have a hard time attracting a buyer if you were forced to sell or rent the home.

**9. Don't get jealous of your friends.** It's hard to compromise on your wish list when your friends have it all. They may have the built-ins, jetted tub and game room with its own ZIP code. But, firstly, you probably don't know what their real finances are. Maybe they have an inheritance or generous parents that you don't know about. Or maybe they are frantically getting by paycheck to paycheck trying to keep afloat. It's natural to want to have a perceived quality of life comparable to your peer group, but if you don't heed the reality of your situation now, then **reality will barge its way in later**, uninvited and unpleasant.

## What's in a Mortgage Payment?

# P.I.T.I.

Ever see on the mortgage estimate on Zillow or another site? It was probably a rather small number, at least compared to what your lender is going to quote you. That is because often they are just calculating principal in interest of the mortgage, In addition to the principal and interest on your loan, **your lender will also collect your estimated taxes and insurance for the year.** They want to be sure that a) their collateral has property insurance and b) their collateral has no tax liens. This is referred to as your "PITI".

- ★ **Principal.** The amount borrowed.
- ★ **Interest.** The interest charged on the principal, or amount borrowed. Because of the way amortization tables work, your first few mortgage payments will be almost entirely interest.
- ★ **Taxes.** The local tax rates for the Fort Hood area (a percentage of your home's annual assessed tax value) are:
  - Killeen: **2.4695%**
  - Harker Heights: **2.39665%**
  - Copperas Cove: **2.621455%**
- ★ **Insurance.** You choose the insurance company, as long as your lender approves. Who you choose can significantly impact the mortgage payment.

HOA fees might also be collected with the mortgage payment.

**Escrow.** Your lender collects money for your taxes and insurance monthly, but those items are paid annually. The lender estimates how much you will owe in taxes and insurance and collects that amount spread over twelve months. They keep this money (still your money) in an escrow account until it is time to pay taxes and insurance. Your lender must be accountable to you for the money in the escrow account (you will get annual escrow account statements).

It is an estimate of your tax burden, and is almost never exactly right. So during tax season each year, **your lender will send you either a refund check if they overestimated your taxes and insurance, or a letter requiring you to pay more if they underestimated.** If they underestimate, usually they will spread what is owed out over the next 12 months' mortgage payments instead of requiring you to contribute a lump sum payment.

**If you're paying cash,** you won't have a lender collecting and paying your taxes and insurance. Your taxes and insurance will be due annually in one lump sum (taxes are due in October). If you still want to pay your insurance and taxes in monthly installments "like" a mortgage payment, **you can arrange with your bank to do that for you,** for a small fee.

**Budgeting by Monthly Payment.** Below is an example for a VA loan. Depending on what mortgage payment you want (the left column) and the interest rate you are getting (the top column), you can then locate your home budget.

Monthly Mortgage Payment	Interest Rate							Sales Price
	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%	6.0%	
\$ 500	\$ 72,040	\$ 69,300	\$ 66,678	\$ 64,173	\$ 61,783	\$ 59,506	\$ 57,339	
\$ 600	\$ 86,448	\$ 83,160	\$ 80,013	\$ 77,008	\$ 74,140	\$ 71,408	\$ 68,807	
\$ 700	\$ 100,855	\$ 97,020	\$ 93,349	\$ 89,842	\$ 86,497	\$ 83,309	\$ 80,274	
\$ 800	\$ 115,263	\$ 110,880	\$ 106,685	\$ 102,677	\$ 98,853	\$ 95,210	\$ 91,742	
\$ 900	\$ 129,671	\$ 124,740	\$ 120,020	\$ 115,511	\$ 111,210	\$ 107,111	\$ 103,210	
\$ 1,000	\$ 144,079	\$ 138,600	\$ 133,356	\$ 128,346	\$ 123,567	\$ 119,013	\$ 114,678	
\$ 1,100	\$ 158,487	\$ 152,460	\$ 146,691	\$ 141,181	\$ 135,923	\$ 130,914	\$ 126,146	
\$ 1,200	\$ 172,895	\$ 166,319	\$ 160,027	\$ 154,015	\$ 148,280	\$ 142,815	\$ 137,613	
\$ 1,300	\$ 187,303	\$ 180,179	\$ 173,363	\$ 166,850	\$ 160,637	\$ 154,716	\$ 149,081	
\$ 1,400	\$ 201,711	\$ 194,039	\$ 186,698	\$ 179,684	\$ 172,993	\$ 166,618	\$ 160,549	
\$ 1,500	\$ 216,119	\$ 207,899	\$ 200,034	\$ 192,519	\$ 185,350	\$ 178,519	\$ 172,017	
\$ 1,600	\$ 230,527	\$ 221,759	\$ 213,369	\$ 205,354	\$ 197,707	\$ 190,420	\$ 183,484	
\$ 1,700	\$ 244,935	\$ 235,619	\$ 226,705	\$ 218,188	\$ 210,063	\$ 202,321	\$ 194,952	
\$ 1,800	\$ 259,343	\$ 249,479	\$ 240,040	\$ 231,023	\$ 222,420	\$ 214,223	\$ 206,420	
\$ 1,900	\$ 273,751	\$ 263,339	\$ 253,376	\$ 243,857	\$ 234,777	\$ 226,124	\$ 217,888	
\$ 2,000	\$ 288,159	\$ 277,199	\$ 266,712	\$ 256,692	\$ 247,133	\$ 238,025	\$ 229,355	

*Assumptions: Taxes: 2.4695% Insurance: 0.8% Downpayment: 0%*

This chart **only works for Killeen** (Harker Heights and Copperas Cove taxes are different), **only works for VA loans** (FHA and conventional loans will require mortgage insurance and down payments).

Talking to a lender is the **ONLY** way to know what your budget really is

Contact Lenders



## Builders?

Interested in a brand new home? Killeen has a lot of quality builders, due to the tremendous population growth the area has seen in the last two decade.

PROS	CONS
<ul style="list-style-type: none"><li>★ <b>Great Condition.</b> Nothing's perfect, but a new home with a reputable builder is pretty close. Just about everything has a warranty on it through at least the first year.</li><li>★ <b>Customize it.</b> You can pick exteriors, upgrades, paint colors, flooring material and counters, and more. Some builders can accommodate moving walls. For higher end custom homes, you can even get your home tailored to exactly what you want.</li><li>★ <b>Low Maintenance.</b> Brand new, great condition – it will be a while before typical maintenance costs start kicking in. Hopefully 15 years to the first HVAC issue, 25 years to a roof repair, etc.</li><li>★ <b>Builder Concessions and Perks.</b> Builders will often make buying their home very easy, by doing things like covering most or all of the buyer's closing costs, or contributing free upgrades.</li><li>★ <b>Energy Efficient.</b> Efficiency standards are constantly improving, even from year to year. Even "cheap" new built homes usually have good energy efficiency ratings.</li></ul>	<ul style="list-style-type: none"><li>★ <b>Higher Prices.</b> New homes in this area are going to start in the \$120,000s and up, and builder homes are going to cost \$10,000 - \$50,000 more than a comparable pre-owned home.</li><li>★ <b>Lose Home Value Instantly.</b> Buying a new home is like buying a new car. As soon as you take the keys, it has lost \$1000s in value. That's okay if you're going to be in the house a long time, but can really hurt if you have to sell in just a few years, owe more than it's worth, and have to PAY to sell your own home.</li><li>★ <b>Noisy.</b> If builders are still building in your neighborhood, chances are it could be noisy with the sound of work.</li><li>★ <b>Long Wait.</b> If the home is built and ready to go, it is just as easy as any home. But a to-be-built home can take 4 to 8 months before completion and move-in.</li><li>★ <b>Little Negotiating on the Price.</b> Builders very seldom budge on their price unless it is their last home or two in the area. Lowering the price of one home hurts the values of all their other homes in the neighborhood. If that's 100 homes, then lowering the price \$1000 for you actually costs them \$100,000.</li></ul>

**How to find New Homes.** Builders usually put their homes in the MLS like any other home. A Realtor® will be able to find them and make recommendations on which builders might best suit your needs.

Remember, you still can and should **have a licensed agent represent you** when buying from a builder. The builder's reps are usually great to work with, but their fiduciary obligation is to the builder, not to you. It also doesn't cost you anything to have a Realtor® represent you.

[Search Builders](#)

## Foreclosures?

Foreclosures are homes that has been repossessed from the owner, usually by a lender for nonpayment of the mortgage. A bank is the new owner, and just wants to get rid of the home.

PROS	CONS
<ul style="list-style-type: none"><li>★ <b>Great Price.</b> The bank wants to get rid of the home with as little involvement as possible. So they price the home well below market value. While they don't budge much off of this list price, they will often methodically drop the price if the home is on the market too long.</li><li>★ <b>Starting Equity.</b> With a great price comes equity – that is, you owe less than the home is actually worth in good condition. Equity is freedom – if the home doesn't work out, you can move in a couple years and, now in good market condition, break even or make a few bucks selling.</li><li>★ <b>No-Drama, Predictable Seller.</b> Banks might be annoying sometimes, but they are simple sellers. They just want to sell. They're not likely to change their minds or get emotional about the deal.</li></ul>	<ul style="list-style-type: none"><li>★ <b>As-Is.</b> Some just need some TLC (Tender Loving Care) or some new paint. Others are completely falling apart. Either way, the bank is not going to make repairs for you.</li><li>★ <b>More Complicated.</b> While the principles are generally the same, the paperwork and some details may be different from traditional transactions – or a lot different if the foreclosure is on an auction site, for example.</li><li>★ <b>May not be able to use a VA or FHA loan.</b> Certain loan types require that the home meet a minimum standard for condition, especially the VA and FHA loans. If the home is too roughed up, you might have to use a conventional loan, or even cash.</li><li>★ <b>No Buyer Concessions or Perks.</b> The bank has dramatically discounted the price. Often they don't do more than that. Take it or leave it.</li><li>★ <b>More Money Up Front.</b> No closing costs covered, loan types with higher down payments, and likely cosmetic or other repairs needed right out of the gate – all this adds up to money out-of-pocket.</li><li>★ <b>Unforeseen Issues.</b> Foreclosures are more likely to have strange or unexpected problems, like title issues.</li></ul>

## Short Sales?

Short Sales are homes on the market BEFORE foreclosure, where the **owner owes more than the home is worth**. The bank has agreed to accept slightly less than they are owed. Short sales are a **much bigger hassle** than foreclosures. You negotiate first with the owner, and then the bank. And the common expression is that **“there is nothing short about a short sale”**. They can take forever – as much as six months to close. But they can still be great deals if you have the patience for them.

~20% of homes sold in the Fort Hood area are foreclosures

[Search Foreclosures](#)

## STEP 4: CHOOSE A HOME

**Pick the Neighborhood(s) First.** Great home – wrong school district? Why bother even considering it? There is a lot you can change about your home yourself – except the neighborhood. Figure out early which neighborhoods will work for you and don't bother with the others.

**Review Your 3s.** Remember during the Buyer Consultation when you described your 3 must haves, 3 would-likes, and 3 must NOT haves? Whip those out and grade the homes you're considering.

**Stay in Your Budget.** Stay in your budget. Stay in your budget. Stay in your budget. Financial hardship on account of a mortgage payment will alter your life and relationships for the worse.

**Perfection.** It doesn't exist. Don't look for it. It is well known that even the multi-million dollar luxury buyers who custom build their own home from the ground up realize things they'd like better or to change just a few months after moving in.

**Floor Plan over Styles.** Love the floor plan but hate the carpet? One you can change, the other you can't.

**Resale Value.** If you're nervous about your choice or know that you aren't going to be in the home forever, resale value may be important. That means choosing a home that has a more broad appeal but that may not be your own idea of a great home. That way you'll have an easier time finding buyers or renters down the road.

**Go with your Gut.** Homes have personalities, and you are going to want one that you get along with. If you have a good intuition about a home, it may be your subconscious communicating to you that this home is going to be the better fit than the one that you think is a deal but have trouble imagining yourself in.

**Sleep on it.** As an agent, I only get paid when the deal closes, so you might think I'd be in a hurry for my buyers to make an offer. Usually not, **unless there is already competition and a deadline for offers.** I want my buyers to sleep on it, because if they are not completely comfortable in their decision, it is only going to mean problems for them (and me) down the road.



DECISION POINT

# STEP 5: MAKE AN OFFER AND NEGOTIATE

**Note:** The offer, process, paperwork, and negotiating is a huge subject with countless angles, tips and tricks that depend on your situation and the market conditions. It cannot be covered adequately here. Your agent will be able to explain and advise throughout this process.

## What You'll Need before Making an Offer

**Preapproval** (If using a lender). If your original preapproval letter was for more than the offer price, you may ask your lender for an updated preapproval just for the amount you are offering. You don't want to advertise to the seller that you can actually afford more than what you're offering.

**Proof of Funds** (If paying cash). Your proof of funds is something as simple as a bank account statement or multiple statements that show you have enough money on-hand to cover the price you are offering.

**Personal Information.** Current **mailing address**, full **legal names**, and basic **contact information**. Some offers like those on HUD Homestore foreclosures will even require your **social security number**, but most do not.

**Do not submit offers directly to the seller yourself  
– your agent should always submit the offer.**



## Main Parts of an Offer

**Price.** Once you've identified a home you want to make an offer on, your agent will do a Comparative Market Analysis (CMA) on the home and recommend a fair market value. You do not necessarily have to offer at this value. But at a minimum you know whether you are perhaps getting a good deal, or maybe choosing to pay a little over market value but for a home that is worth it to you.

Choosing an offer price can be difficult because you want to feel like your "getting a deal". My own philosophy is to offer at the price recommended by the CMA (unless it is higher than the asking price of course), and then to be aggressive with the other terms of the deal. The CMA price is where the negotiations will wind up anyway, and lowballing a seller is setting the wrong tone. Ultimately, it is whatever your bottom line is. You should offer no more than that.

**Closing Date.** The seller generally wants to close as soon as possible, while the buyer wants to close as soon as *practical*. The lender will be the main factor, as their portion of the process takes the longest. For most deals I would plan out 6 weeks for a closing with financing, and two weeks for cash deals. Working with a builder who hasn't even built your home yet means the closing could be as much as 4-8 months out.

**Earnest Money.** Just how it sounds, earnest money is proof that you are “earnest” and serious about the home by making you put some skin in the game early. Earnest money must be deposited by the buyer within two days of agreeing to a contract, and is held by the title company in Texas. **The money is refunded to you at closing or if you back out for a legitimate reason** allowed in the contract. If you default on the contract, the seller gets to keep it. \$500 - \$1000 is a fairly common earnest money amount in the Fort Hood area. In hot seller markets like Austin, it can be several thousand dollars.

**Closing Costs.** Closing costs does not refer to the down payment, but rather things like the loan origination fee, title fees, lawyer fees, etc. Separately, you can negotiate for a new survey if required (about \$600) and who pays the owner's title policy (about \$500-\$1500). In the Fort Hood market, it is common for the seller to contribute toward closing costs – sometimes all of them. The lender is the best person to estimate what dollar amount you should ask for.

**Repairs.** If you are already aware of repairs that you know will need to be made, you can include it in the initial offer. More common, however, is for the first contract to be “as-is” and then any repairs negotiated during the Option Period, after you do your inspection.

**Option Period. Always have an option period.** The option period is usually one or two weeks and is the unrestricted right for you, the buyer, to just walk away (some foreclosure contracts have restrictions on that “right”). The option period is designed for you to do your inspections and determine that you are comfortable moving forward with the deal. With the option period is the option fee which pays for the right to have an option period. The fee is negotiable and paid directly to the seller as soon as the contract is agreed. \$50-\$100 is common for the Fort Hood area. Unlike earnest money, the fee is *only* refundable if you close. Once the option period is over, you are “in it to win it”.

**Other Parts.** There are a lot of parts – title commitment objections, final lender approval timelines, exclusions, protections against interest rate spikes, and so much more that cannot all be included here. Have your agent walk you through the contract and **be sure you are comfortable before signing.**

## The Contract

The contract you use depends on the type of deal you are doing. The most common sales contract and the only one some agents have ever used is the **1-4 Family Residential Contract (Resale)**. There are separate contracts for commercial property, “farm and ranch” properties, new homes and condos.

### Builder and Foreclosure Contracts.

Builders and Banks with Foreclosures often use their own contracts. For example, VRM (who controls VA foreclosures) has its own contract for all VA foreclosures.

# Negotiating

The seller can do any of three things when they receive your offer:

- ★ **Accept**
- ★ **Counter**
- ★ **Ignore**

It may be astonishing to think that the seller might ignore your offer altogether – but they can. The seller doesn't have to do anything (as long as it is the seller making that decision and not their agent).

**The seller does not HAVE to do anything – they can even accept another offer without telling you there *was* another offer.**



Most of the time in the Fort Hood market, unless it is a very strong offer that they accept outright, the seller will make a counter. You and your agent will have to consider the terms and then can either accept it or continue countering. I can't make specific recommendations on what to do because it depends on your circumstances and what is important to you.

If you can't come to a deal that you are satisfied with, it's time to just **walk away** and keep looking.

**Multiple Offer Situations.** It is sort of a good thing if someone else has made an offer on the same home as you. That means the home you want is a **desirable** piece of real estate!

That is where the good things end for you, the buyer, during multiple offer situations.

Usually the seller's agent will invite all the buyers' agents to submit a "highest and best" offer. You will not know what the other offers are – that is confidential. You are in the dark choosing between two roads – offer too little and lose out on the home. Offer too much and you pay more than you had to. My advice? **Don't overthink it** and just determine what the home is worth to you. Offer that. If you get it, great. If not, you did what you could and can move on. There are some tips below on how to make your offer more attractive to the seller, whether in a multiple offer situation or not.

## Tips on How to Get Your Offer Accepted

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>★ <b>Offer More.</b> Obviously.</li><li>★ <b>Get the Seller to Like You.</b> Try not to lowball or insult the seller in any way. Buying AND selling is an emotional process, and having the seller like you is actually a <b>major</b> advantage.</li><li>★ <b>Pay Cash.</b> Sellers love cash offers. Quick close, no closing costs, no lender. Love 'em.</li><li>★ <b>Be Quick.</b> The longer you are negotiating, the longer the chance that another buyer comes along and turns it into a <b>multiple offer situation</b>.</li></ul> | <ul style="list-style-type: none"><li>★ <b>Make the "Other Stuff" Look Good.</b> Move up the closing date, offer more earnest money (you get it back at closing anyway), use the seller's title company – in short, make the little things that shouldn't cost you much as seller-friendly as practical.</li><li>★ <b>Get Rid of Contingencies.</b> Is the seller going to have to wait for you to sell your current house? Sellers don't like waiting.</li><li>★ <b>Have a Lender with a Good Reputation.</b> If the seller knows they can close the deal, that's a plus.</li></ul> |
|---|--|



# STEP 6: DO YOUR DUE DILIGENCE

Once both parties have signed the contract and received copies, the contract is “executed” and official. At that point, **the buyer will immediately submit the earnest money and option fee** to their agent to deliver to the Title Company and seller respectively (via personal check, cashier’s check or money order). The agent will also send copies of the contract to the buyer’s lender and title company so they can get started on the loan approval, title commitment and closing documents.

**The option period clock has also begun ticking**, so it is time to use that time to do your due diligence, starting with scheduling an inspection.

## Inspection.

Except for lender required inspections like the pest inspection, **all inspections will be out-of-pocket costs** to the buyer. Yes, it is possible that the inspection turns up an awful, unworkable problem and the deal falls through, meaning you are out money for the inspection. But that is a small price to pay to have avoided buying a lemon of a home.

### Types of Inspections

- |                      |                    |            |
|----------------------|--------------------|------------|
| ★ Pest and Termites  | ★ HVAC             | ★ Septic   |
| ★ Chimney            | ★ Lead Based Paint | ★ Mold     |
| ★ Electrical         | ★ Foundation       | ★ Well     |
| ★ General Inspection | ★ Roof             | ★ Asbestos |

At a minimum, I recommend that you **always do a pest and general inspection**, which will run you between \$200-\$400. I would also always do a septic and well inspection if the property has either. The other inspection types I would do only if I had a specific concern or the general inspector recommended investigating something further.

You and your agent should be present for the general inspection if practical, so that you can discuss the condition of the home with the inspector in person. Within 24 hours, the inspector should send you the inspection report that details what they observed. From this, you and your agent can discuss the condition of the home and whether you are comfortable moving forward, or if it is time to try to negotiate repairs with the seller.

**Even if brand new, your home WILL have defects on the inspection. They are not all serious!**



**Seller's Disclosure.** Usually the owner will be required by law to give you a seller's disclosure (except for foreclosures and multi-family homes). The seller fills out facts about the property and any deficiencies they are aware of. **Seller's disclosures aren't very useful**, however, either because the seller may be ignorant of issues with the property or because there are few repercussions to keep them honest. **Do your own due diligence.**

**Ask for the Owner's CLUE Report.** You might ask for the owner's Casualty Loss Underwriting Exchange (CLUE) report on the home. This report contains all the insurance claims that have been made on the owner's property for the past seven years – helpful in identifying what has gone wrong in the past (and what the insurance company paid them to fix). Here is a snippet example from my own fourplex for a hail damage claim I made in 2014:

**PAYMENTS BY CLAIM TYPE**

<i>Amount</i>	<i>Type</i>	<i>Status</i>
\$11,917 - Hail		<b>Status: CLOSED</b>

[Order CLUE Report](#)

## Title Commitment

The title company has two primary, mostly unrelated jobs.

1. Act as the **escrow officer** – holding onto everyone's money and disbursing it at closing, and:
2. Create the **title commitment** and **title insurance** for the property.

The title commitment is a form of inspection. As soon as they receive the contract, the title company is going to do a title search. They search for anyone and everyone who may have a legal ownership claim on the property other than the seller – divorces, inheritances etc. – or any liens or encumbrances on the property. If they mess up, you will also have title insurance protecting you in the event of an issue down the road (which is very rare). This way, the buyer (and lender) is protected and are confident that the seller actually owns the property they are trying to sell.

After receiving the commitment, the buyer has a number of days after specified in the contract to protest if there is a problem. If it is a major problem, then the deal is not going to happen. But it might even be minor problems, like learning that there are deed restrictions prohibiting the buyer from putting in a pool, which they really wanted to do.

## Appraisal

The lender is going to do their own due diligence in the form of an appraisal, one of the fees that is part of your closing costs (usually about \$400). **Your home is collateral for their loan** – meaning if they loan you \$100,000 for a \$100,000 home and you fail to pay them back, at least they can take your \$100,000 home and mostly be okay. But what if the loan is \$100,000, but the home only worth \$50,000?

This mostly protects the lender against funny business, like offering more than the home is worth in a side deal to get cash back from the seller. **A lender will only loan up to what the home is worth – not more.**

The appraisal also is an additional protection for you, the buyer, to ensure you are not paying too much. Sort of like a second opinion on the CMA that your Realtor® provided in Step 5. If the home does not appraise, there are three options:

1. The seller agrees to **drop the price** to the appraised value
2. The buyer agrees to **come up with cash for the difference** between appraisal and contract price
3. Nobody agrees and the **contract is terminated** (buyer gets the earnest money back)

## Renegotiating after Inspections

If you are still in the option period, you are free to renegotiate the deal anyhow and for any reason that you like. The only thing you would lose out on if you walk away is your option fee.

**The seller is not required to negotiate**, however. Nor are they bound to fix anything they didn't already agree to in the original contract. Your leverage as the buyer is your ability to walk away.

The most common amendments are those asking the seller to make repairs. Other amendments might **extend the option period** if you need more time (for another option fee), **extend the closing date**, or **change the price**, for example. Any new agreements will be written and signed on an amendment.

**Escrowing Repairs.** The seller is not allowed to give the buyer an “allowance” for a repair, even something simple like new carpets. When a lender sees “allowance”, all they see is cash in the buyer's pocket while the home – their loan collateral – has a problem with it that the buyer may or may not fix. That is where escrowed repairs come in.

If there are major issues with the home like the roof's needing to be replaced, you can escrow that amount at closing. The title company will set aside an amount from the seller's funds earmarked for the specified vendor (like a roofer), based on a quote. Then, after closing, the roofer will do the job and get paid directly by the title company. Any difference will be refunded to you at the end. The advantages are:

- ★ The seller doesn't have to come out of pocket to make the repairs
- ★ The repairs won't hold up closing because they are being done after closing
- ★ The lender knows that the money is going to go toward the repairs and not just pocketed

## Terminating a Contract

If the deal isn't going to work, it is time to terminate the contract. Terminating the contract is unilateral – the buyer simply signs the Buyer Termination and their agent sends it off to the seller – **the seller doesn't have to agree to it.**

Simultaneous with the Buyer's Termination form, you will submit the Earnest Money Release if you are withdrawing for a valid reason permitted in the contract. The seller will sign this form, acknowledging it is a valid reason, and the title company can then write you a check for your earnest money.

## STEP 7: GET INSURANCE

Once you're under contract, it is time to start lining up the insurance company you would like for your property insurance. You will need to have identified an insurance company at least a few days before closing so the title company and lender can coordinate. **Insurance is required if you're using a lender.** If paying cash, it's your prerogative, though **you'd be crazy not to have insurance.**

Rates depend on the type of house, size and many other variables. For a single family home in the Killeen area, I might expect to pay anywhere between \$800 and \$1500 / year.

Remember, if using a lender, you will not pay your insurance directly. Instead, your lender will collect monthly installments as part of the mortgage payment and pay your insurance company for you.

Some notes to consider:

- ★ **Shop around.** Like everything, you should get information and consider several options before deciding on one.
- ★ **Consider the same company as your automobile insurance.** Companies like USAA are prevalent in a military market like ours and is a popular insurance choice, (although USAA is generally expensive)
- ★ **Add extra security.** Some insurers will give you discounts if you do.
- ★ **Cover the rebuilding cost.** The amount you are insured for is NOT directly related to the price you paid for the home. Instead, you want to be covered for the cost to rebuild your home, which is more or less expensive than "fair market values" depending on your market.
- ★ **Extra coverage.** Most homes in our market will not require additional coverage like earthquake coverage, though there are some areas that are in 100 year floodplains (greater than 100 years does not require additional insurance). You can look at the FEMA maps [here](#).

The **Texas Department of Insurance** has the website below to help identify and shop for homeowners insurance that will work for you.

[www.HelpInsure.com](http://www.HelpInsure.com)

# STEP 8: CLOSE

## What to bring to closing

- Your spouse
- IDs
- Certified check, wire or money order for the amount due (made out to the title company)
- Any Documents as Required (e.g. power of attorney (POA))

Even if not on the loan documents, Texas is a community property state, and your spouse will have things to sign acknowledging that you are buying a home and that he/she owns 50% under Texas law.

If using a lender, you should receive a draft of the Closing Document (CD) or HUD three days before closing to review. Both documents will include the amount that you either owe or are due at closing. Your Realtor® will also double check the numbers on the CD to ensure it accurately reflects the contract.

## What to expect at closing

You and your spouse will come into the title office, sit down in a conference room with the title agent and your Realtor®, and start signing! Some title companies have the seller and buyer both present at the same time (though they sign at separate times), though in my opinion it is better that the seller and buyer do not meet if possible. The closing usually takes about **30 minutes for a cash deal, or 1.5 hours for a financed deal.**

## Funding

The home does not officially close just because you and the seller have signed everything. Only **once the deal “funds” is it finally official.** Funding is when the money comes in (usually from the lender) and the title company can start writing checks. Usually that happens the same day a few hours after everyone signs. But **if you close late on a Friday, it is possible it won't fund until the next business day, Monday,** which means you don't have a house for another couple days.

If you as the buyer were owed money at closing, e.g. getting your earnest money back, then the title company will be able to write you your check after funding.

**CONGRATULATIONS!**  
**YOU NOW OWN YOUR HOME!**



# STEP 9: MOVE IN

## Recommended Moving Companies



(254) 213-5139



(800) 403-9764

## Your First Mortgage Payment.

Generally, your first payment will be due on the 1<sup>st</sup> of the month two months after you close. For example, if you close on March 31<sup>st</sup>, your first mortgage payment will probably be due May 1<sup>st</sup>. If you close just one day later on April 1<sup>st</sup>, your first mortgage payment will probably be June 1<sup>st</sup>.

Your lender will probably sell your loan to another bank. **For the first month or two, you won't know who to pay your mortgage to.** You will receive a letter informing you of who your new bank is and how to set up payments. If the due date is approaching and you haven't gotten that letter yet, you will have instructions received at closing on where to send your first few mortgage payments.

## Taxes

**Homestead Exemption.** After the 1<sup>st</sup> of the year, you will want to go to your County's tax assessor's office to file for the Texas Homestead Exemption. This exemption does two things:

- ★ Reduces taxable home value by \$25,000 (with a Killeen tax rate, that is an estimate \$600/yr savings)
- ★ Gives you Protections. With some exceptions like tax liens and your mortgage, your homestead home can't be taken to satisfy a judgment like bankruptcy.

### Tax Assessments

#### ***Hey! My mortgage payment just went up! What's the deal?***

If you have a fixed rate loan, your principal and interest will never go up. But your property taxes and insurance change annually. The only things you can do about this is to **appeal your taxes** when they come out in Spring of each year, and to **shop around for insurance**.

## Utilities

You will want to coordinate with the seller to try to keep the utilities on a few days after closing (unless a foreclosure in which case the utilities will likely be off). Scheduling electricity and gas can be done before closing. Getting your water turned on should be done right after closing, as you will have to take your closing documents in person to the water department to get it turned on.

**Electricity.** Unlike some States, Texas has competitive electricity providers in most markets. It is up to you to choose an electricity provider for your new home. There are many review sites to help you choose. We recommend shopping around at the following site for the best deals:



Additional research can be done at:

<http://www.electricitytexas.com/information/Texas-Electricity-Choice>

<http://www.texaselectricityratings.com/>

Or, some of the major providers in the local market are:



**RELIANT ENERGY**  
1-877-713-7618  
www.reliant.com



**TXU ENERGY**  
1-800-818-6132  
www.txu.com



**STARTEX POWER**  
1-866-477-8271  
www.startexpower.com



**SPARK ENERGY**  
877-547-7275  
www.sparkenergy.com



**CHAMPION ENERGY SERVICES**  
1-877-653-5090  
www.championenergyservices.com

**Water, Sewage and Trash Pickup.** The City of Killeen provides water, sewage and trash pick-up. You will have to show up in person with a copy of your Closing Disclosure or HUD-1 Form to the Utility Collections Division at:

<b>Killeen</b> Utility Collections 210 W Avenue C. Killeen, TX 76541 (254) 501-7800	<b>Harker Heights</b> Finance Department City Hall Building 305 Miller's Crossing Harker Heights, TX 76548 (254) 953-5600	<b>Copperas Cove</b> Water Distribution 914 Tank Street Copperas Cove, TX 76522 (254) 547-2416
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**Gas.** You may not need a gas provider. Most local homes have electric stoves and water heaters, not gas. Be sure to research the internet for more options, but at the moment there is only one recommended provider:



**ATMOS ENERGY**  
**(254) 690-1845**  
www.atmosenergy.com

**Mailbox Keys.** If you have a community mail box (many subdivisions in the Fort Hood Area do), you will need to go to the post office to get keys. They will need to see your ID and closing documents, just like the water department.

<b>Killeen</b> 3100 S W S Young Dr. Killeen, TX 76542 (254) 554-3033	<b>Harker Heights</b> 415 E FM 2410 (Knights Way) Harker Heights, TX 76548 (254) 699-2111	<b>Copperas Cove</b> 802 E Ave. D Copperas Cove, TX 76522 (254) 547-3605
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## Buyer's Remorse

Yikes! Hard as it is to imagine during the excitement of purchasing a home, moments of **doubt will set in even before you sign an offer**, and you will go through emotional highs and lows from that point forward. Expect it. Prepare for it. Take a step back and focus on the fundamentals. Many agents recommend that you **stop looking at other homes** after you are under contract, because the second guessing yourself is going to be maddening.

Early, the second guessing will be "**did I get a good deal**"? If you paid attention to the CMA and carefully planned out your finances and what the home has to offer you, then there is no reason to doubt yourself. And remember, the seller is wondering "did I get a good deal", too.

And then there is after the euphoria of closing a home wears off, and the fresh, vacant, clean home is replaced with your move-in mess that will last months. **Avoid these potential regrets:**

- ★ **Neighborhood.** Sometimes it's hard to get a feel for a neighborhood until you've lived in it. The best thing to do to avoid this regret is to **visit the neighborhood frequently** while still exploring your home and **at different times of the day** so you get the best feel for it beforehand.
- ★ **Commute.** You've bought a home and, if you're new to the area, you may still be using a GPS to even find it. So the commute will be new, too. Sometimes it's more than what you were hoping for, or you didn't expect the traffic to be what it is. The only advice I can imagine is to try to **drive the routes you'll be taking** at the times of day you'll be driving.
- ★ **Repairs.** Did you buy a fixer-upper because you thought you could Do-It-Yourself? And now you realize you have neither the time, money nor skills to actually follow through? I recommend buying a home in need of any significant upgrading or maintenance if you A) have the passion and professional skill set to accomplish the tasks or B) have the money on standby to take care of repair issues immediately after closing.

## Spread the Joy!

### You own your home!

Whether it's your first or your hundredth, hopefully it was a great experience and a great fit for you and your family!

Did you have a quality agent? **Be sure to give your agent a good review!** Ask them what website they'd like the review on, and help them grow their business and bring in new customers!

Click the icons below for some of the locations you can review [www.HoodHomesBlog.com](http://www.HoodHomesBlog.com) (even if it's just to say how much you like our Home Buyer Guide!)



# MARKET

## Inventory

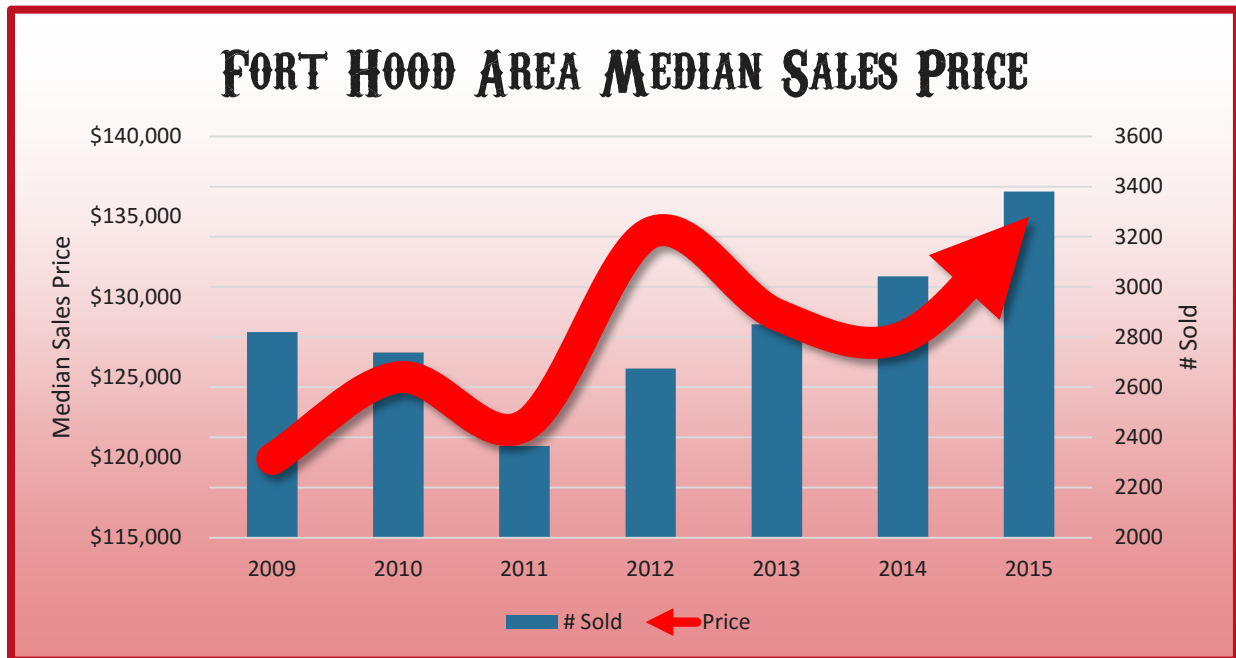
If no more homes came onto the market, how many months until everything currently listed on the market was bought? That is called “inventory”, or the absorption rate. **6 months' inventory is a neutral market. More is a buyer's market. Less is a seller's market.**

# 5.3 MONTHS

Inventory as of 1/1/16

## Median Fort Hood Sale Price

# \$135,000



## Median List to Sell Ratio

What percent of the original list price do homes usually sell for? Foreclosures actually sell closer to the original list price because their price usually is already dramatically discounted.

**96.7%**

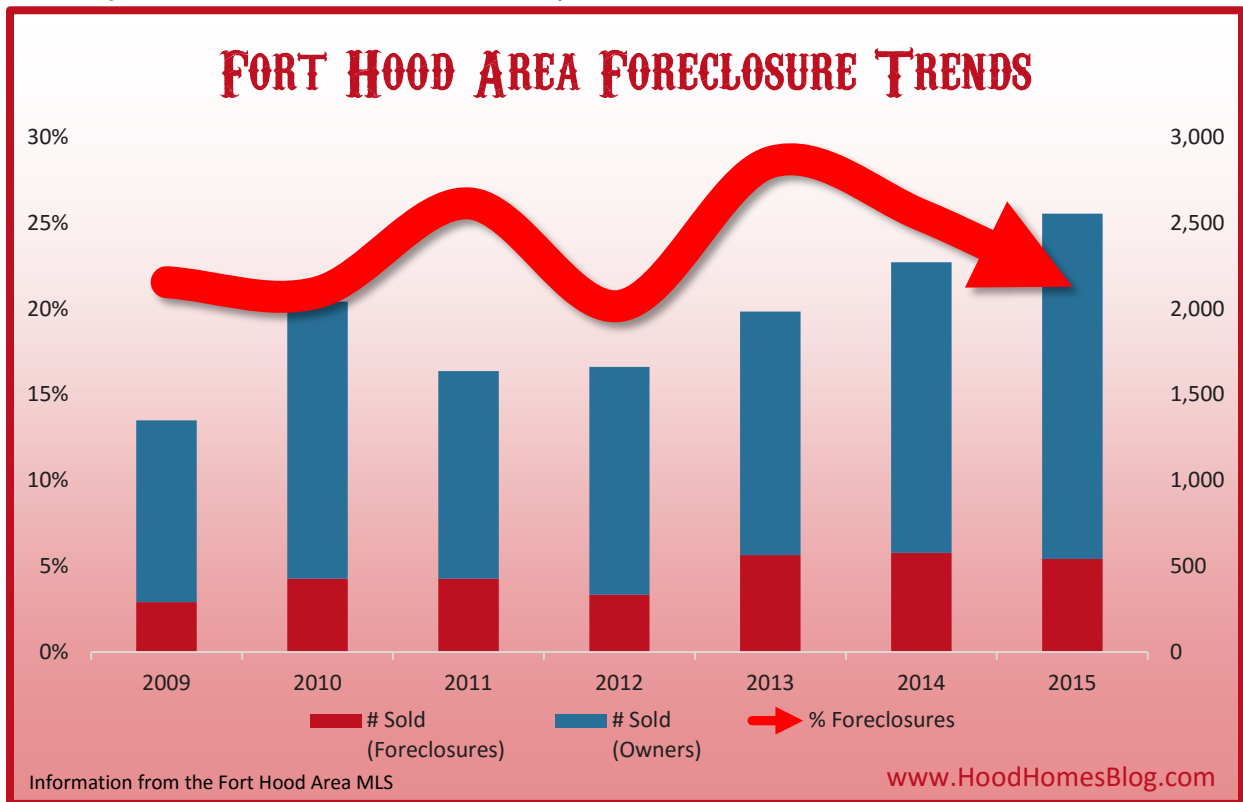
Owners, 2015

**98.0%**

Foreclosures, 2015

## Foreclosure Trends

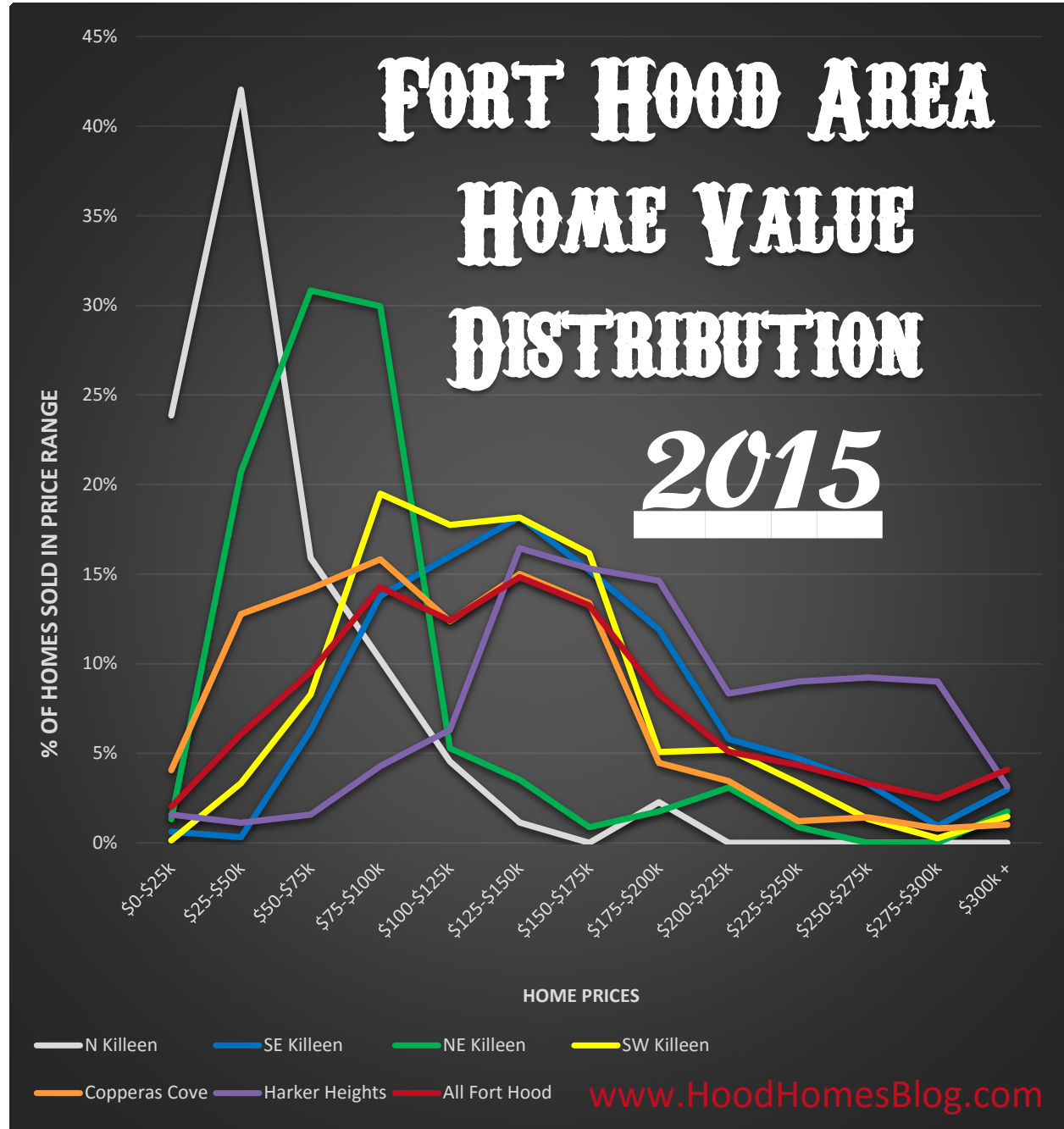
Foreclosures are a staple of the Fort Hood market even in health times because the prevalence of the VA loan puts homeowners underwater on Day 1 and can result in foreclosure.





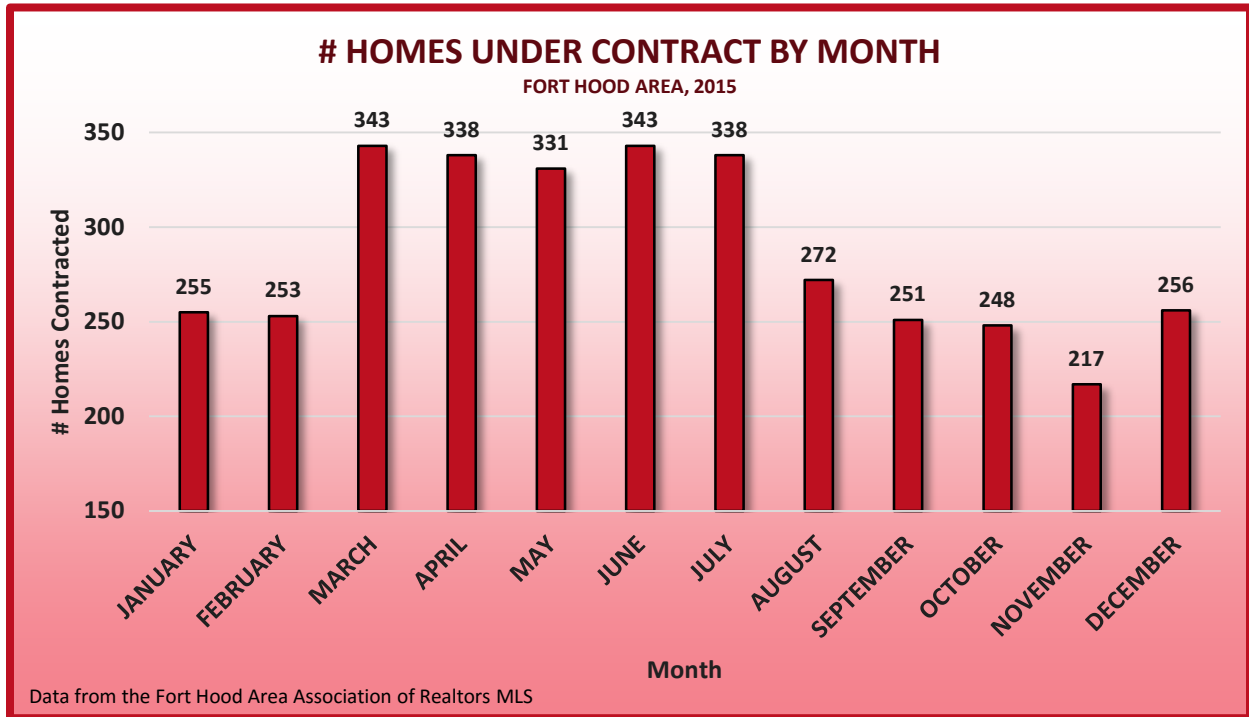
## Geographic Home Value Distribution

The chart below shows, by region, the percentage of homes sold in each \$25,000 price range. For example, over 40% of homes sold in N Killeen (76541) were between \$25,000 and \$50,000. Using this graph **you can grasp what kind of price ranges comprise each market**. Killeen is divided by ZIP Code.



# Market Seasonality

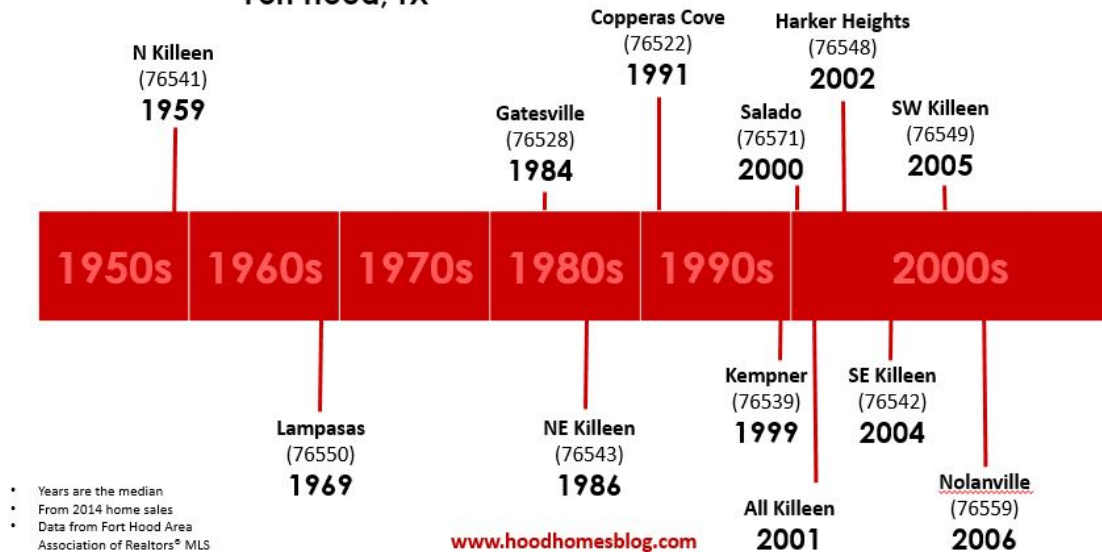
March – July are hot months for homes going under contract – good for sellers, bad for buyers.



# Age of Homes

With the immense population growth since 2001, there has been a lot of building in the Fort Hood market, meaning **new and newer homes are easy to find**.

## Average Year Homes Were Built Fort Hood, TX

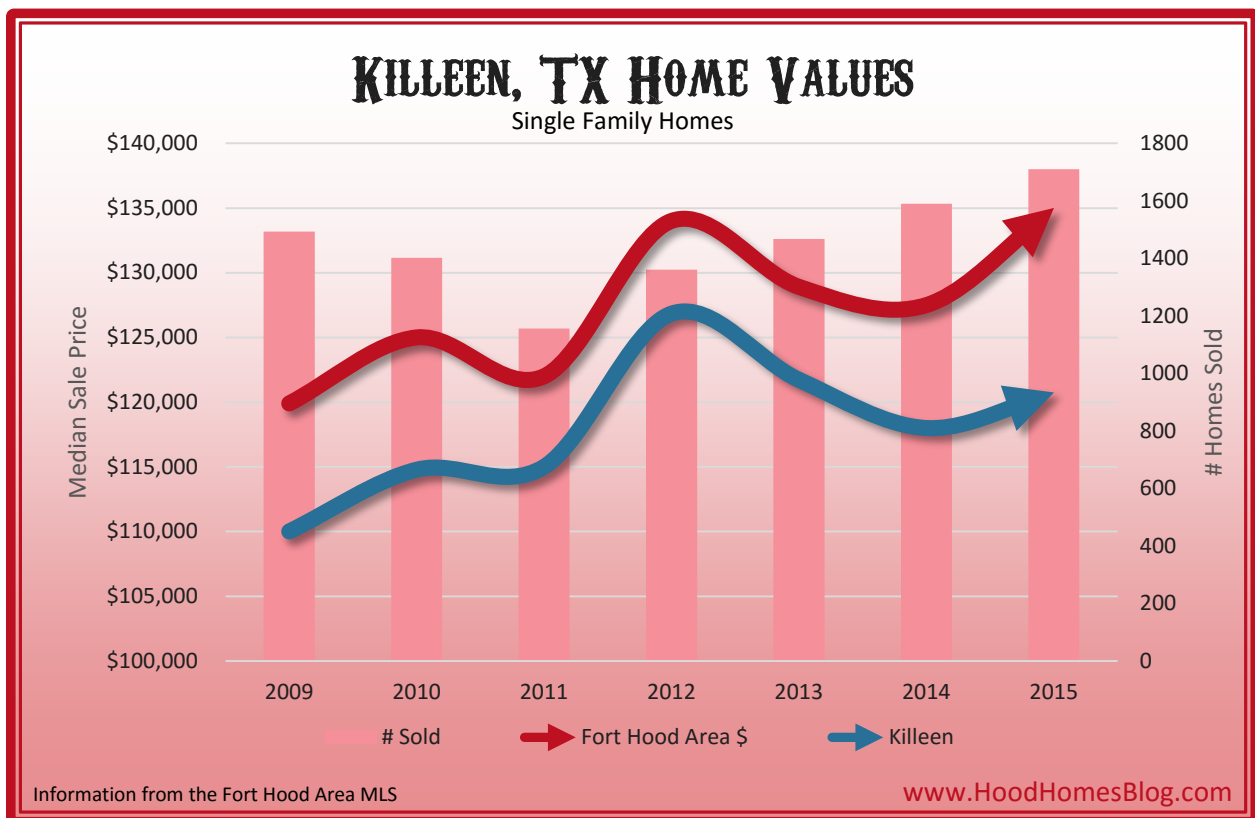


# KILLEEN

Killeen is by far the largest city surrounding Fort Hood. Its population exploded since the War on Terror in 2001, when it was a mere 80,000. Now over 130,000, it is **the largest city between Dallas and Austin** – larger even than Waco. Even with all that growth, **home values during that time have been flat**, keeping pace with inflation. Many attribute this to the **ample new building** that has been taken place during that time, generating an ample supply of inventory to keep up with the housing demand.

Like the rest of Texas, **Killeen survived the 2008 housing crash relatively unscathed** because home values had not climbed anywhere near as dramatically as they had in places like Florida, California and Nevada.

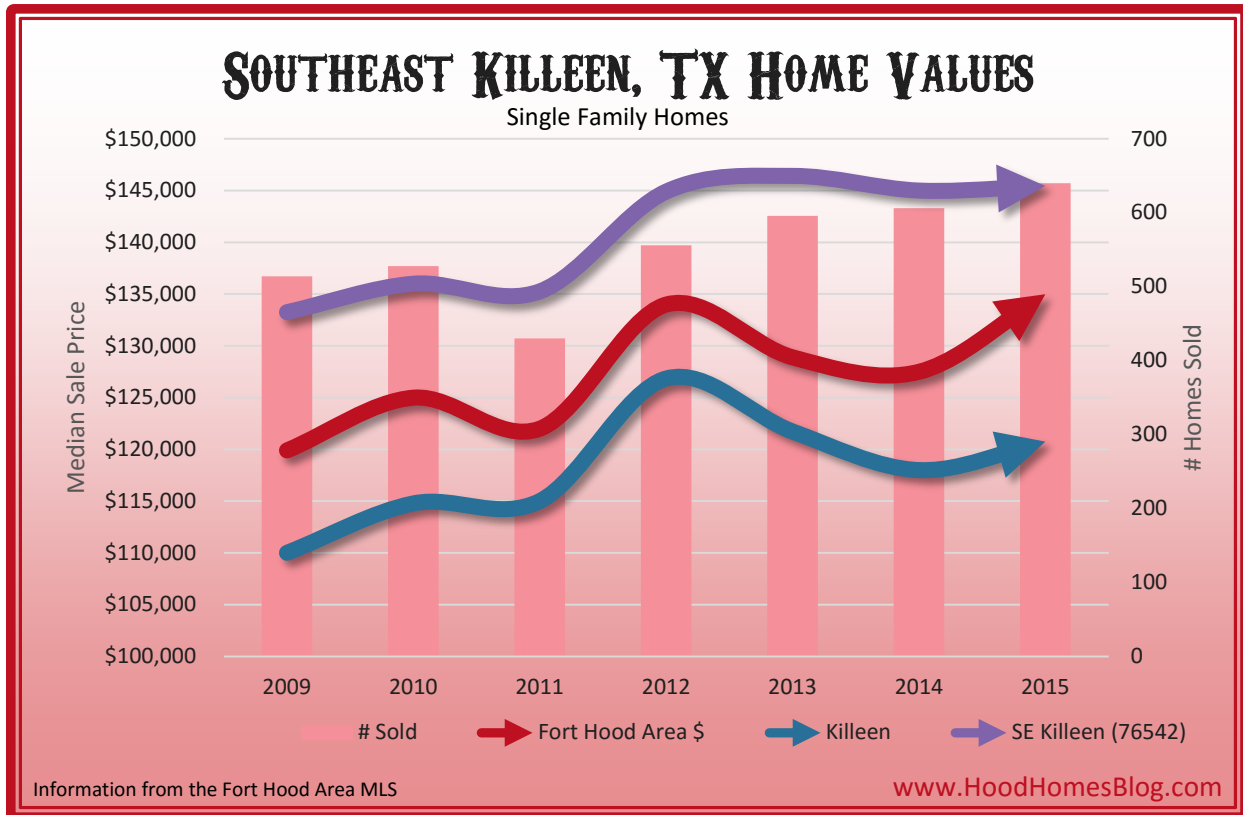
If you are moving to the area, Killeen is your likely destination, and you could do worse. There are great neighborhoods to choose from as the town rapidly grows southwards – the only direction it can expand with Fort Hood to the north and west, and Harker Heights to the east. There are great builder options, or recently built preowned homes that can give you **a great quality of life for your money**.



Median \$	Days on Market	# Sold	% Foreclosure
<b>\$120,750</b>	<b>119</b>	<b>1710</b>	<b>19.5%</b>

## SE Side (76542)

South East Killeen has the highest home values of the Killeen areas, with neighborhoods like White Rock Estates that border along Harker Heights. South East Killeen is the only part of Killeen whose growth is not severely constricted by Fort Hood, and so areas like Yowell Ranch and Splawn Ranch spring up on Killeen’s southernmost borders, creeping and expanding toward the South along Hwy 195.



Median \$	Days to Contract	# Sold	% Foreclosure
<b>\$145,450</b>	<b>53</b>	<b>640</b>	<b>15.3%</b>

### Neighborhoods

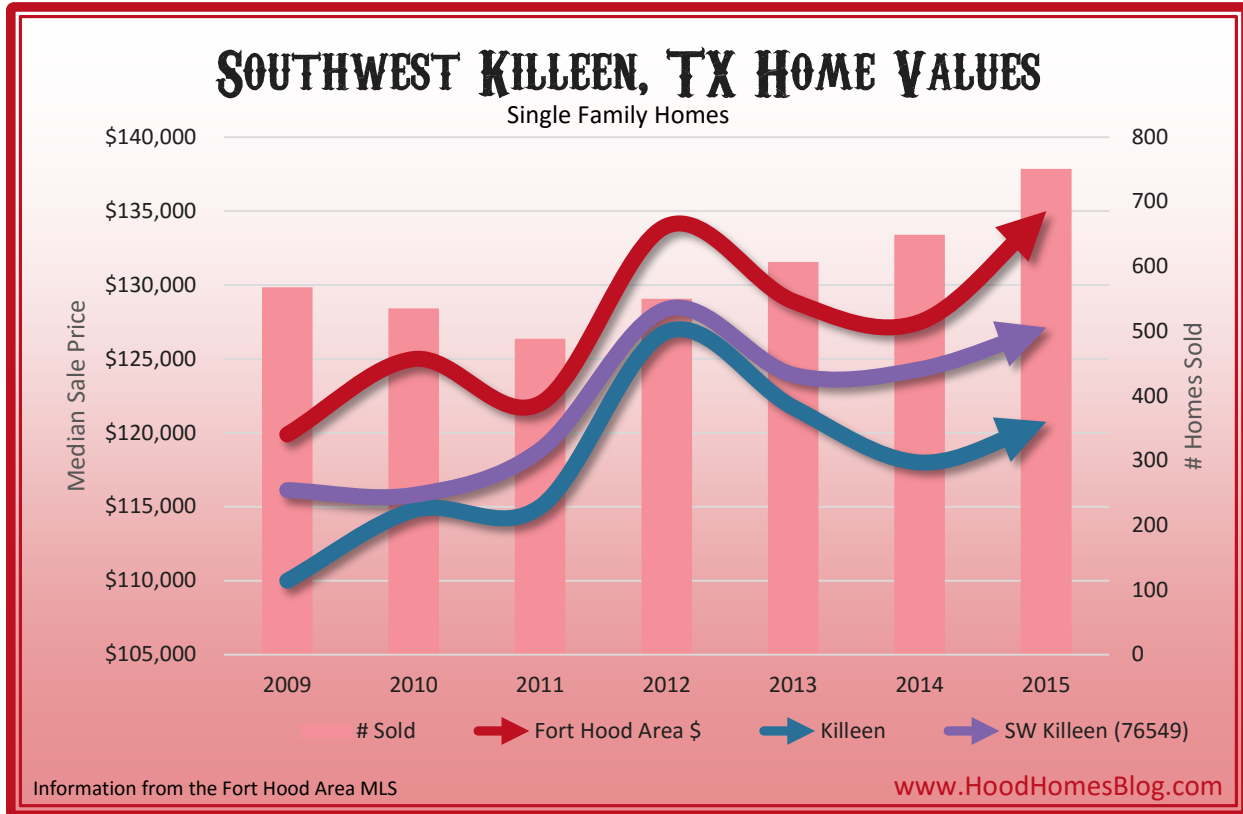
[Bellaire Height](#)  
[James Way](#)  
[Saegert Ranch](#)  
[Spanish Oaks](#)  
[Turtlebend](#)

[Deorsam Estates](#)  
[Oak Valley](#)  
[Savannah Heights](#)  
[Timber Ridge](#)  
[White Rock Estates](#)

[Hymesa Estates](#)  
[River Ridge Ranch](#)  
[Splawn Ranch](#)  
[Trimmier Estates](#)  
[Yowell Ranch](#)

## SW Side (76549)

South West Killeen is only slightly behind South East Killeen in home values, and features several new neighborhoods with great builders like The Landing, Purser Crossing and Bunny Trails. It also has a lot of the most recent economic development with a new Wal-Mart, shopping plazas, Texas A&M Central Texas and the Killeen-Fort Hood Regional Airport. Though surrounded to the West by West Fort Hood, this area is experiencing the most growth at the moment and is definitely a magnet for buyers and renters alike, making it a favorite area for investors in multi-family rentals as well.



Median \$	Days to Contract	# Sold	% Foreclosure
<b>\$127,127</b>	<b>48</b>	<b>751</b>	<b>19.3%</b>

### Neighborhoods

[Bridgewood](#)  
[Eagle Valley](#)  
[Purser Crossing](#)  
[Windfield](#)

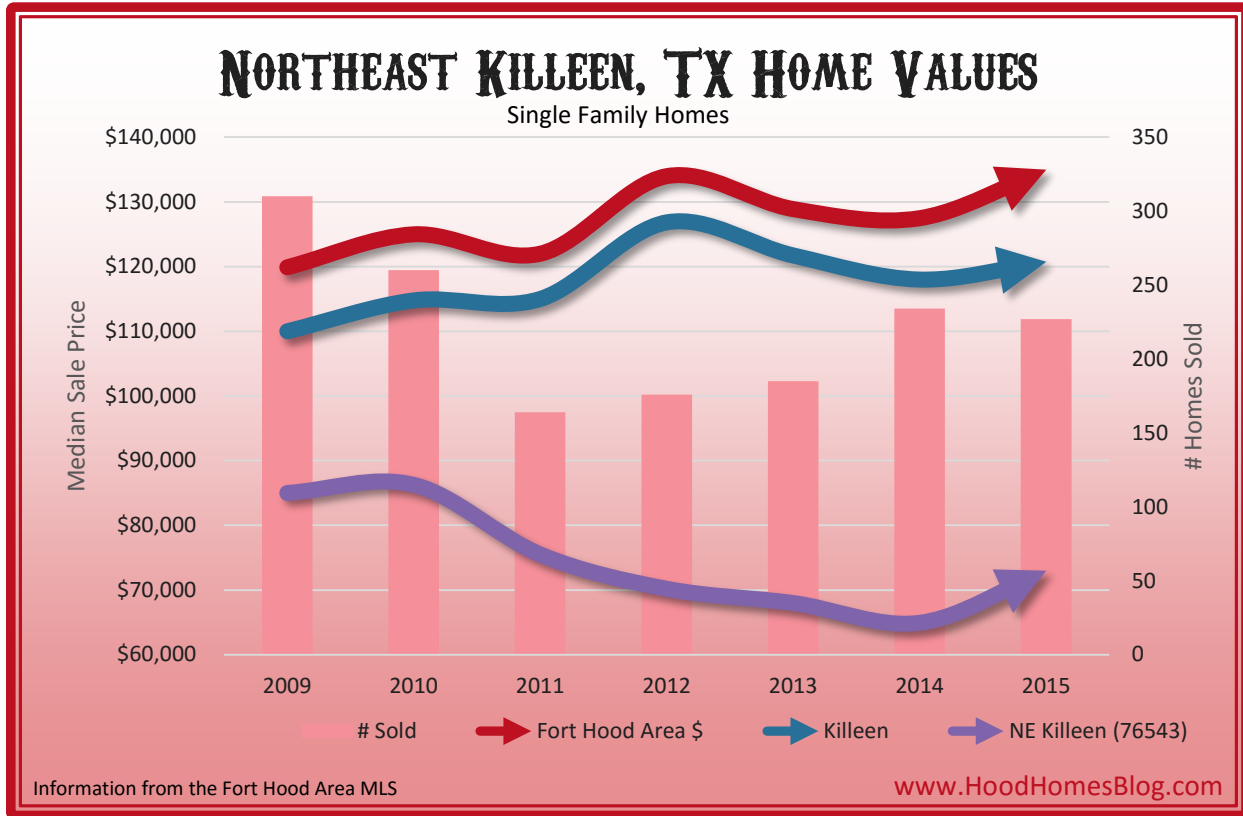
[Bunny Trail Estates](#)  
[Goodnight Ranch](#)  
[Sunflower Estates](#)

[Conder Valley](#)  
[Lonesome Dove](#)  
[The Landing](#)



## NE Side (76543)

Not as old as downtown, but not as young as the area south of Hwy 190, either, the North-East side of Killeen has a lot of affordable housing options in quiet neighborhoods. It also is a prime area for rentals and buy-and-hold investors.



Median \$	Days to Contract	# Sold	% Foreclosure
<b>\$73,000</b>	<b>42</b>	<b>227</b>	<b>28.2%</b>

### Neighborhoods

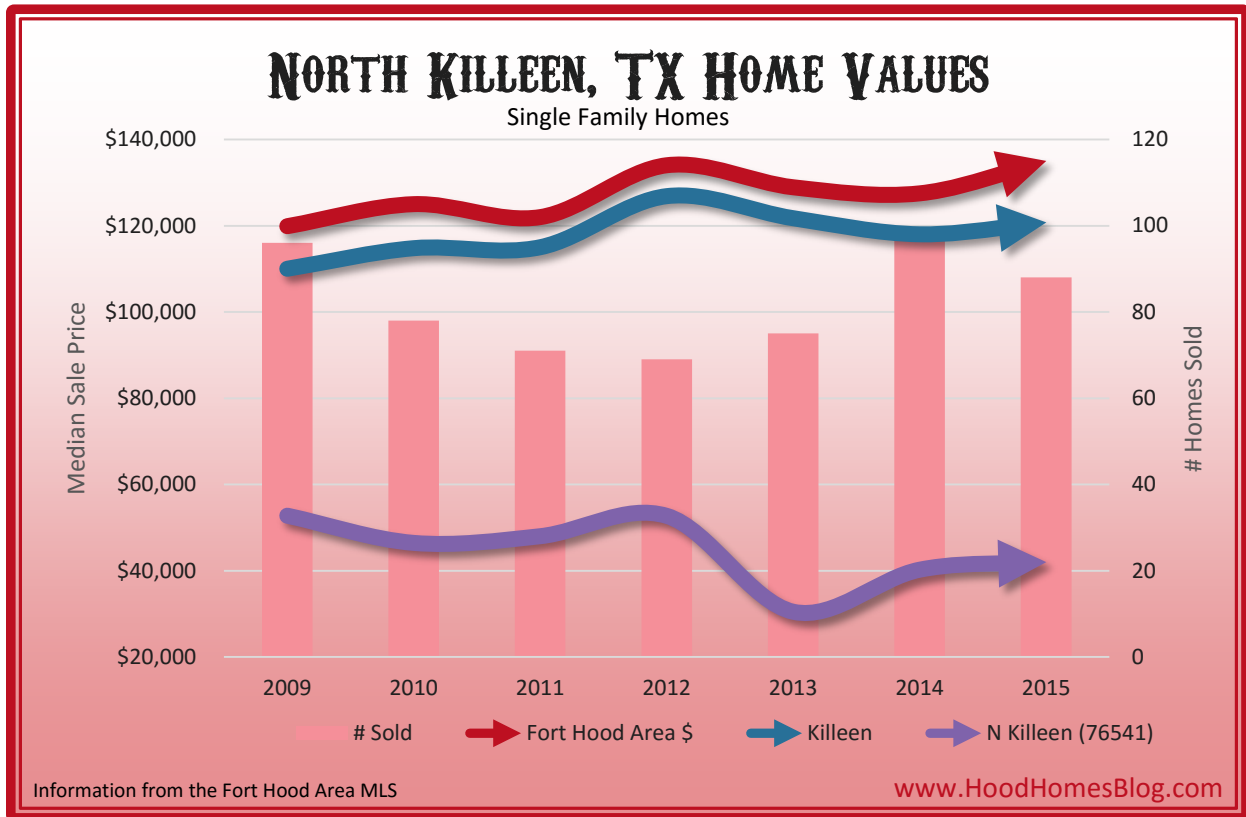
[Crossland Estates](#)

[Len Schwertner](#)



## N Side (76541)

North Killeen is downtown Killeen, nestled tightly against Fort Hood. Homes are much older than in the rest of the area and prices are correspondingly much lower. The downtown area is the subject of an ongoing revitalization program by the City Council. Along with the North East side of Killeen, North Killeen has opportunities for investors, especially flippers. It also boasts one of Killeen's only gated communities, The Falls at Fox Creek.



Median \$	Days to Contract	# Sold	% Foreclosure
<b>\$42,000</b>	<b>44</b>	<b>88</b>	<b>29.5%</b>

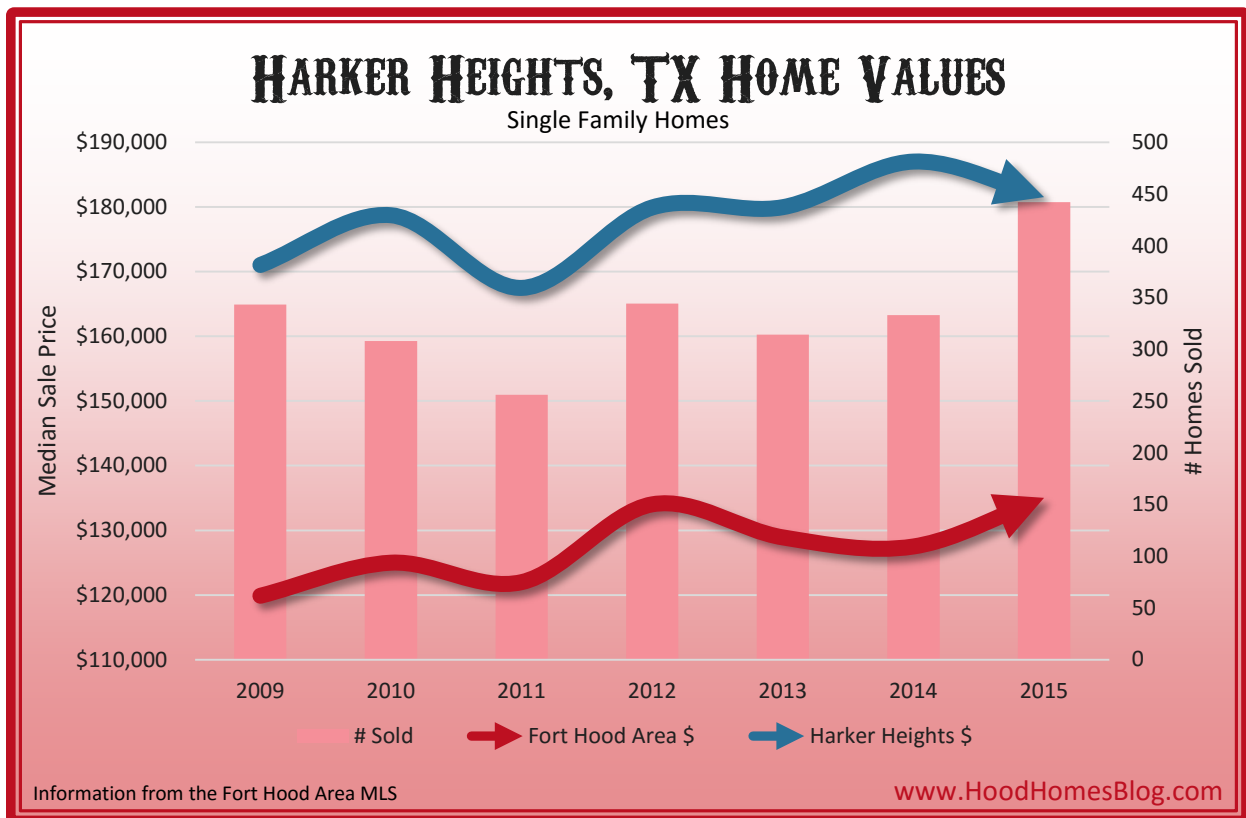
### Neighborhoods

[The Falls at Fox Creek](#)

# HARKER HEIGHTS (76548)

Harker Heights is just east of Killeen on Hwy 190 with a population just over 28,000. It has the **highest home values** between Killeen and Copperas Cove. Residents tend to be more established with lower home occupant turnovers.

The area of Harker Heights along Hwy 190 includes the **Market Heights shopping area**, with some of the best shopping in the Fort Hood area. The parts of Harker Heights furthest to the south like The Ridge are close to **Stillhouse Hollow Lake** and finding homes with boats parked in the driveway are not uncommon. Other parts of Harker Heights include older areas that have maintained their property values and boast lovely **mature trees** – not always easy to come by in Central Texas.



Median \$	Days on Market	# Sold	% Foreclosure
<b>\$181,500</b>	<b>128</b>	<b>442</b>	<b>9.7%</b>

## Neighborhoods

[Evergreen Estates](#)  
[The Grove](#)

[Highland Oaks](#)  
[The Ridge](#)

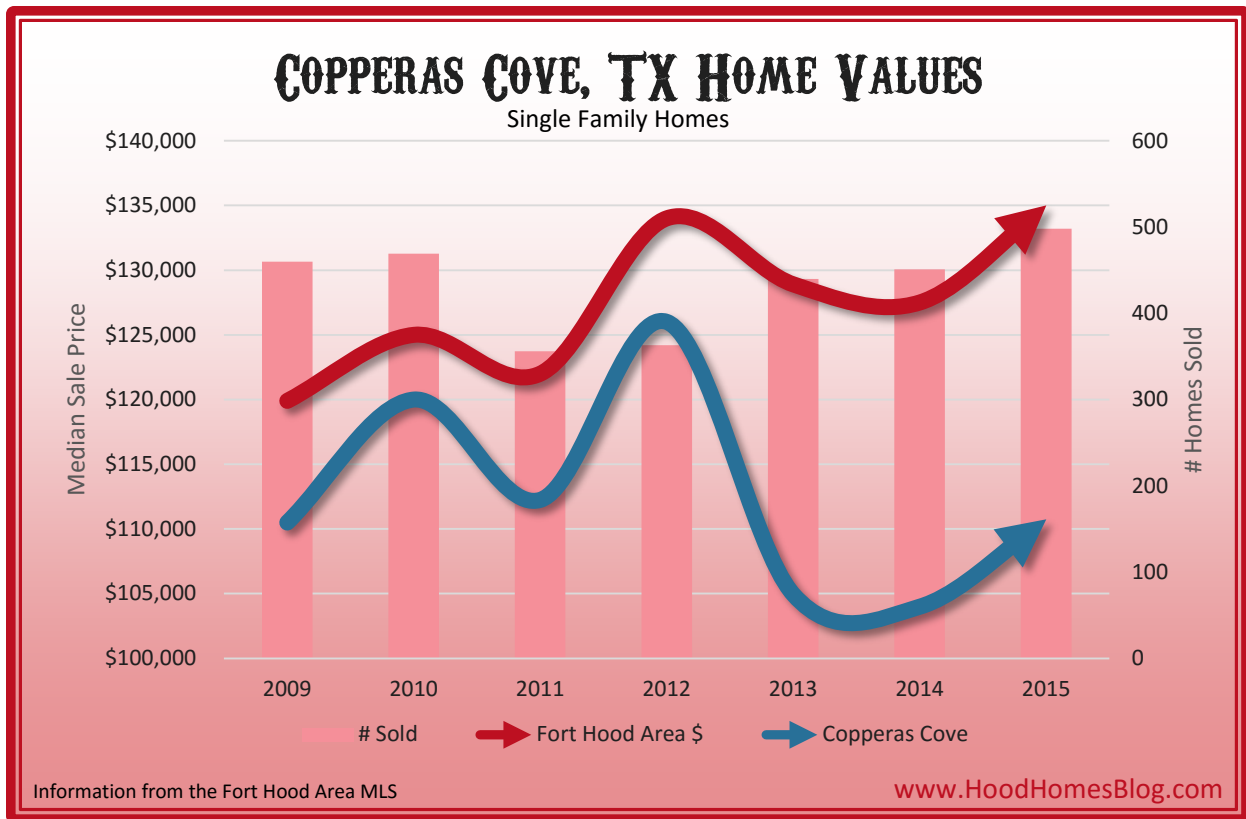
[Skipcha Mountain Estates](#)  
[Tuscany Meadows](#)

# COPPERAS COVE (76522)

Copperas Cove is to the west of Killeen and Fort Hood, though it still bumps up against Fort Hood and has its own gate. Even though its population is slightly more than Harker Heights at just over 33,000, it has a decidedly **small town feel**.

It has a **diverse housing market**, with very affordable areas along with newer and pricey options. Finding homes with some elbow room between homes is achievable, like at **Reata Ranch**. The terrain is also observably more “Hill Country” than Killeen, with awesome views in **Skyline Estates**.

The town was put on the map when Copperas Cove High School “Bulldog” **Robert Griffin III** won the Heisman Trophy as Baylor University’s quarterback, and went on to the NFL.



Median \$	Days on Market	# Sold	% Foreclosure
<b>\$110,750</b>	<b>114</b>	<b>498</b>	<b>19.1%</b>

## Neighborhoods

[Heartwood Park](#)

[House Creek North](#)

[Skyline Estates](#)

# FORT HOOD (76544)

A Realtor® is not going to be much help to you on Fort Hood. Because there are no homes on Fort Hood except post housing. So if you are looking at a home for sale or rent on Fort Hood, something is wrong!

[Click here for the Fort Hood Housing Office Contact Information](#)

# OTHER AREAS

## Nolanville

**Nolanville** is a small but trending community just east of Harker Heights on Hwy 190. Nolanville has the **newest homes** in the Fort Hood area, with the average home sold in 2014 being built in 2006. It features the high end HOA community of **Bella Charca**, as well as more the more affordable **Nolanridge**, and **Wildwood Estates** priced in between the two. It is still part of the Killeen ISD.

**Live here if:** Nolanville has a variety of new and new-ish home options, close to the Harker Heights shopping and amenities. Being on Hwy 190, you are on the near side of I-35 in Temple/Belton and then on either north to Waco and Dallas or south to Austin and San Antonio.

## Kempner and Lampasas

Kempner is to the west of Copperas Cove on Hwy 190, and Lampasas yet further west. The commute to the Fort Hood Main Gate is about 25 minutes from Kempner and 40 minutes from Lampasas.

Lampasas is actually a **very easy commute to Austin** at just under an hour's drive, straight down Hwy 183 (though the Hwy 183 corridor is a trending area to the south, with lots of building in Cedar Park, Leander and eventually Liberty Hill, so traffic congestion is coming).

Lampasas is far enough west that some of the real estate business is done on the Highland Lakes Association of Realtors, entirely separate from the Fort Hood Area Association of Realtors.

**Live here if:** Both communities are much more rural, and great options for either a small town feel or if you are looking for **farms, ranches** or **acreage**.

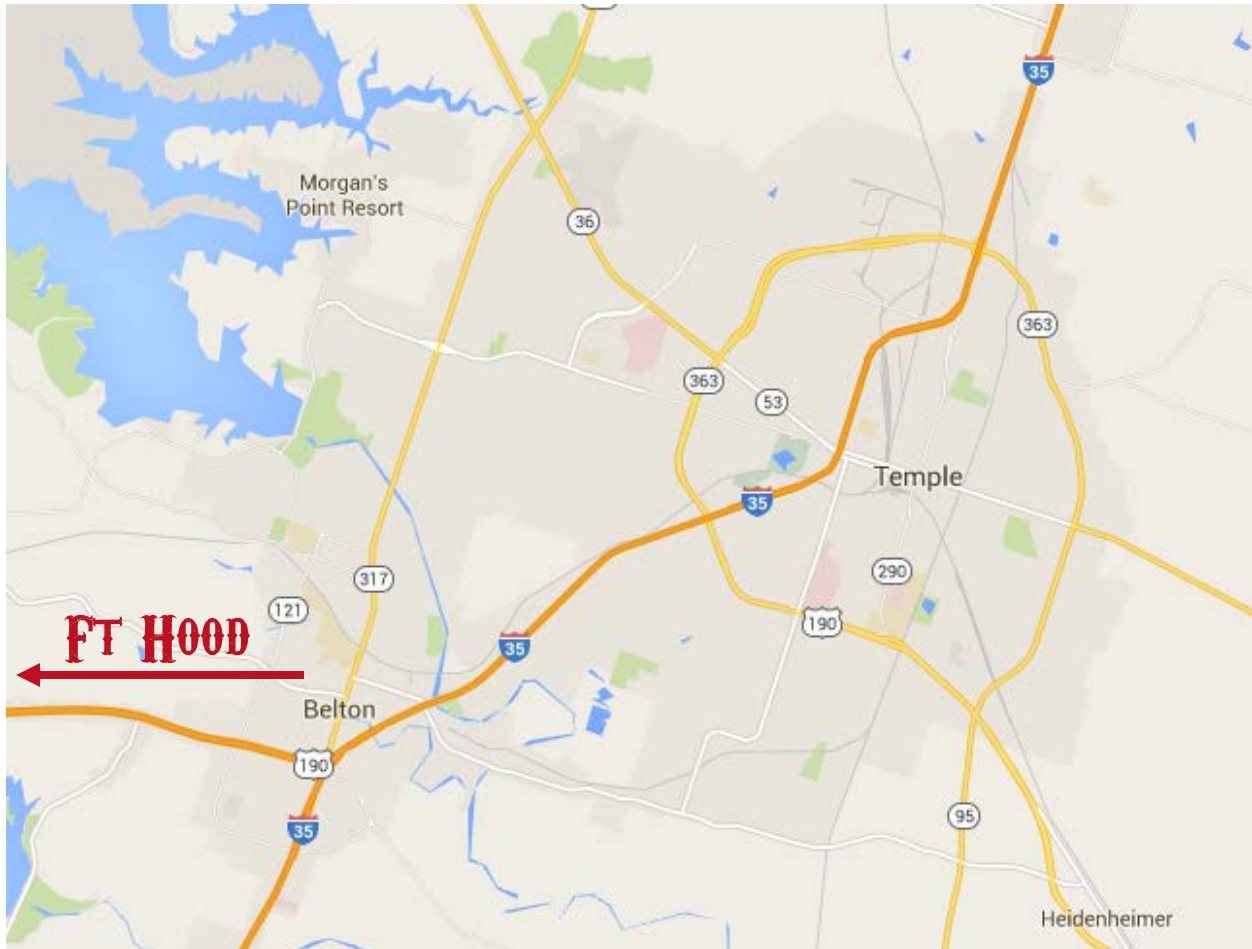
## Gatesville

Gatesville is another older rural town outside of the North Fort Hood gates. For those unfamiliar with the layout of Fort Hood, there is the main post of Fort Hood in Killeen, as well as West Fort Hood across Hwy 190 at with the airport, also still in Killeen. North Fort Hood is on the clear **other side of the training area** from the rest of Fort Hood, and is a **30-45 minute drive from the rest of post**.

Gatesville is part of the Fort Hood Area MLS, but it may as well be its own little market. It is actually just **as close to Waco as it is Killeen**, because the entire, gargantuan Fort Hood training ground is between Gatesville and Killeen (and Hwy 84 zips straight from Gatesville to Waco).

**Live here if:** Quite a few Soldiers live in Gatesville and commute to work – especially **those who work on North Fort Hood**. It is a good place for those close to retirement who are hoping to stay in the area afterward and are looking for some **very affordable**, older homes or even some **affordable land**.

## Temple/Belton



Temple is an older area than Killeen, and Belton is the county seat of Bell County. But the Killeen/Harker Heights/Copperas Cove area has considerably outstripped the growth in the Temple and Belton markets.

Many moving to the Killeen area, even those who work on Fort Hood, are attracted to the **Temple and Belton school districts**. It is a more manageable commute than living in Georgetown or Round Rock, and the **home prices and market are more comparable to Killeen** than the hot Austin market.

However it is still a separate market, even with its own MLS. Most agents who work in the Fort Hood market don't do a lot of business in the Temple/Belton market, and vice versa.



## Georgetown/Round Rock/Austin



Some Soldiers love the Austin area so much, or are trying to get away from Fort Hood so much, that they choose to live in Georgetown, Round Rock, Leander, Cedar Park, or even Austin.

The Georgetown/Round Rock/Austin markets could not be more different than Killeen's. Killeen is a stable buyer's market, with lots of affordable housing and no home appreciation. As soon as you pass through Florence on Hwy 195 into Williamson County, however, the housing market changes dramatically into **one of the hottest seller markets in America**. You can expect to pay twice the amount for a comparable home in Williamson and Travis Counties for the same home in Killeen.

In my experience, many **officers and NCOs who choose to commute from the Austin area regret it**. It is a long drive one way, which will be painfully felt when you realize you forgot your boots 60 miles away when changing at the gym after PRT.

I don't as often run into the reverse – people with Austin area occupations commuting from the affordable space and homes of Killeen. With the expansion on Hwy 195, commuting either way has become much more tolerable. In the next ten years, I expect that to slowly change as the Austin metro area continues to grow in both space and prices, and commuting to and from Killeen area becomes a more attractive option.

# GETTING STARTED INVESTING IN FT HOOD



## [Real Estate Investors of Killeen MeetUp® Group](#)

Local Investor group that meets for lunch at El Chico's every first and third Thursday.



## [BiggerPockets.com](#)

The BEST online resource for investing guides, calculators, podcasts, forums and articles.



## [MLS Leads/Data](#)

Fort Hood Area foreclosures/short sales from the MLS that may be investable.

## An Easy First Investment: “House Hacking”

“House Hacking” refers to using the property you live in as your first investment house. This may mean after you move and **turning it into a rental**, or even while you live in the home if you have **roommates** or a duplex/fourplex with tenants. The advantage is that you get better terms from **owner occupied financing** than an investment loan (0-5% down payment versus 25% down payment, and better interest rates). And if you're buying a house anyway and don't expect to be there forever, you might as well get something that might **cash flow** for you when you're done with it.

The downside is you have to live in it for a while. What makes a quality rental might not be your idea of a quality home for yourself. And you can only execute this strategy so many times in so many years.

**Duplexes** and **Fourplexes** are the most popular way to house hack. You live in one unit and rent out the other one or three. The other unit's rent can cover a lot of the mortgage payment, or even all of it, so you live for free!

## Other Investing Opportunities

The investing strategies and sources are innumerable. I make a special effort to be an investor-friendly agent, including **free home valuations** (CMAs/ARVs). If you are interested in getting into investing, whatever the strategy, give me a call, or come network at the [Investor MeetUp®](#).

# FORT HOOD LIVING

## SCHOOLS

### A Realtor® can't recommend schools

Recommending one school over another, or even one neighborhood over another, is a difficult subject for real estate agents because it can be construed as **housing discrimination**. And yet, schools are so critical to the home search, what can an agent do?

Agents can provide **fact-based information** about schools (not opinions) and point buyers to **third-party sources** for school reviews and information.

If you are a buyer with school age children, you should do your due diligence on the schools right away. **Narrow it down to the schools that you are comfortable with and let your agent know**. Then your agent can narrow the search to those schools.

## Research Schools

[GreatSchools.org](http://GreatSchools.org)

[SchoolDigger.com](http://SchoolDigger.com)

[Education.com](http://Education.com)

## School Websites

KISD

Killeen and Harker Heights

Attendance Zones

CCISD

Copperas Cove

Attendance Zones

[Search Homes by School](#)

# THINGS TO DO WHILE STATIONED AT FORT HOOD



**Free Things**  
*(for almost)*  
**to do in the 254**



**FORT HOOD  
AREA EVENTS**

POWERED BY  
**KCEN HD**



# Attractions, Parks, Events and Recreation

## Sports

[Comanche Badlanz Paintball](#), speedball, woodball and “urban city” courses  
[Boulders Sport Climbing Center](#), local indoor **rock climbing!**

## Outdoor

[Stillhouse Hollow Lake](#), **boating, fishing, camping, hunting, swimming, picnicking...**  
[BLORA](#) (Belton Lake Outdoor Recreation Area), Fort Hood’s **lake recreation** location  
[Lions Club Park](#), with **soccer** and **baseball** fields, **playgrounds**, trails, and a summer **water park!**  
[1<sup>st</sup> Cavalry Division Museum](#), tour **tanks, helicopters, artillery guns** and the history of 1CD  
[Sportsmen Center](#), on post **shooting range**, and location for [ATV course](#) and **hunting** permits  
[Stonetree Golf Club](#), a lush and verdant rolling **18 holes**

## Indoor

[Mayborn Planetarium](#), a 180 seat theater with **laser shows, star gazes**, and even movies  
[Stillhouse Wine Room](#), **classy evening locale** and entertainment, often featuring live music  
[Vive Les Arts Theater](#), live community **theater**  
[Texas Tumblers Gymnastics](#), for both **gymnasts** and just **kids parties**, having fun!

## Events

[Central Texas State Fair](#), **livestock shows, rides, games** and **food**, in Belton around Labor Day  
[Festival of Trees](#), a major and well attended **local fundraiser** by the YMCA during December  
[Parade of Lights](#), hosted by the famous Dead Fish Grill every **Christmas season**

## Austin

[6<sup>th</sup> Street](#), go **bar hopping** year round in the live music capital of America  
[Bat Bridge](#), view **millions of bats** at sunset in downtown Austin, between March and November  
[LBJ Museum](#), the Presidential library of America’s **most Texan President**  
[SXSW](#), “South-by-Southwest”, the internationally famous Austin **annual media festival**  
[Inner Space Cavern](#), warm extensive **caverns**, discovered under Interstate-35.  
[UT Austin Football](#), **Hook ‘em Horns!**

## Other Areas

[The Texas Chainsaw Massacre House](#), the set, now a diner, of Texas’s **most infamous home**, in Kingsland  
[Hill Country Vineyards](#), visit and taste Central Texas’ **renowned and burgeoning wineries!**  
[Cameron Park Zoo](#), a short trip to Waco’s **lions, tigers and bears!**  
[Dr. Pepper Museum](#), a museum all about soda, in Waco, where **Dr. Pepper** was invented  
[Texas Rangers Museum](#), all about the storied peacekeepers, the **Texas Rangers**, in Waco  
[Hidden Falls Adventure Park](#), 3000 acres of **4x4, Dirt Bike** and **ATV trails** in Marble Falls



# MEETING PEOPLE AND MAKING FRIENDS

254 Area Code Moms – Toddlers and Infants 0 – 3 Years Old



FLO (For Ladies Only)



Killeen Salsa



# KNOW YOUR ELECTED LEADERSHIP

## List of Officeholders

### Texas State Government

[Greg Abbott \(R\)](#) - Governor

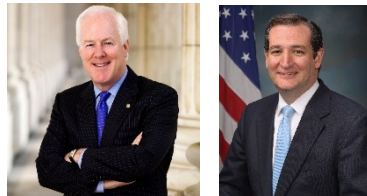
[Dan Patrick \(R\)](#) – Lt. Governor



### US Senators

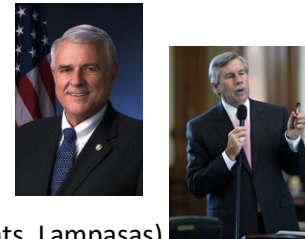
[John Cornyn \(R\)](#)

[Ted Cruz \(R\)](#)



### US Congressman

[John Carter \(R\) TX District 31](#)



### Texas Senator

[Troy Fraser \(R\) Senate District 24](#)

### Texas Congressmen

[Jimmie Don Aycock \(R\) House District 54](#) (Killeen, Harker Heights, Lampasas)

[J D Shefflied \(R\) House District 59](#) (Copperas Cove, Gatesville)

### Bell County Government

### Coryell County Government

### Killeen Government

### Harker Heights Government

### Copperas Cove Government



For more information on your elected government leaders, check your address [here](#).

## Get Involved!

- Check your local party's Facebook and official webpage regularly for updates
- Attend executive committee meetings
- Volunteer for Campaigns
- Work with (or become!) your neighborhood's precinct chairman

### Republicans

[Bell County GOP \(Facebook\)](#)

[Bell County Young Republicans](#)

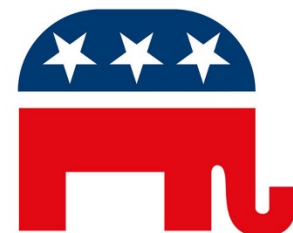
[Central Texas Republican Women PAC](#)

### Democrats

[Battleground Texas](#)

[Bell County Democrats \(Facebook\)](#)

[Bell County Democratic Women](#)





# RECOMMENDED VENDORS

Service	Vendor	Phone #
Accountant	Lillie Aguero	(254) 554-8736
	<a href="#">Russell Langbein</a>	(512) 763-1010
Carpet Cleaning	<a href="#">Bell County Carpet</a>	(254) 933-8989
Cleaning	<a href="#">Mitchell Maids</a>	(254) 702-9306 (512) 762-0946
	Marian Williams	(254) 291-9801
	Fisher Electric	(254) 289-5953
Electrician	Advanced Termite and Pest	(254) 547-8492
	<a href="#">Mantis Pest Control</a>	(254) 628-2847
Exterminator / Pest Inspection	Just Ginger (Jody Cross)	(254) 768-8023
	Nieves Guajardo	(254) 721-4344
Handyman / Contractor	<a href="#">Pillar to Post</a>	(254) 634-3482
	<a href="#">Quality Inspect</a>	(254) 226-9246
Home Inspection	Old Republic	(800) 445-6999
Home Warranty / Residential Service Contract	<a href="#">American Home Shield</a>	(888) 429 8247
	Victory Mechanical	(254) 813-0069
HVAC	<a href="#">Ellis Air Systems</a>	(254) 526-5410
	<a href="#">Texas Farm Bureau</a>	(254) 690-7111
Insurance (Property)	Mow 'n Go (Terry Porter)	(254) 368-1651
Lawn Maintenance	Cuttin' it Close	(512) 749-0985
	<a href="#">Ted Smith</a>	(254) 690-5688
Lawyer	<a href="#">Tanja Allen, Fairway Mortgage</a>	(254) 681-0163 (254) 449-8248
	<a href="#">Robert Pippin, SWBC</a>	(254) 931-4244
	Prince Plumbing	(254) 721-1350
Plumbing	<a href="#">Lange Roofing</a>	(254) 554-7665
Roofer	Lonestar Irrigation	(254) 220-9336
Sprinkler Repair	<a href="#">Mitchell and Associates</a>	(254) 634-5541
Survey	<a href="#">TRS Telephone Systems</a>	(254) 535-0484
Telephones	Netco Title	(254) 245-8337
Title Company	<a href="#">First Community Title</a>	(254) 699-1102
	<a href="#">Cantu Tree Trimming</a>	(254) 300-8733
Tree Trimming		

# HOME BUYING TIPS

## How the VA Loan can Trap Homeowners

Here in Killeen, there are a LOT of foreclosures, even though the market is fairly neutral (6 months' inventory).

A major reason in my opinion is the prevalence of the VA loan in our community.

The VA loan is a great loan program **when responsibly taken advantage of**. It offers a loan with **no down payment, no mortgage insurance, and rates that are often better than the other loan options** available. Most Service Members would do well to take advantage of the program when they are ready and in a position to buy.




But the program also comes with a downside. Because of the 100% financing and the fact that most buyers finance the VA funding fee into the loan, it literally means that **buyers with the VA loan are underwater on their home from Day 1**, usually by a few thousand dollars. That does not even include the enormous transaction costs of selling a home.

### An example

SFC Tony Romo purchases a home for \$150,000 in Copperas Cove. The home is worth \$150,000, but they also finance the VA funding fee of \$3225 for a total loan of \$153,225.

If SFC Romo were to turn around in our current market and try to sell that same home the next day, his net sheet in our current market would probably look something like this:

  
**TEXAS ASSOCIATION OF REALTORS®**  
**SELLER'S ESTIMATED NET PROCEEDS**

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.  
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*The figures below are estimates. Actual costs and proceeds will vary. Estimates are not guaranteed.*

Seller: SFC Romo

Address: \_\_\_\_\_

Anticipated Closing Date: October 17, 2015

Estimated Annual Property Taxes: 2.615 % of sales price = \$ 3,922.20

Estimated Annual Maintenance Fees: \$ \_\_\_\_\_

Buyer's Anticipated Financing:  Conventional  VA  FHA  Assumption  Owner  CASH

Estimated Costs	Estimated Proceeds to Seller:
Attorney's Fees / Doc. Prep. <u>125.00</u>	Sales Price <u>150,000.00</u>
Brokers' Fees <u>6,000.00</u> %	Less Estimated Costs <u>(19,108.00)</u>
Condo. Transfer Fee _____	Less Estimated Loan Payoff <u>(153,225.00)</u>
Courier & Express Mail Fees <u>50.00</u>	_____
Escrow Fee (one-half) <u>80.00</u>	_____
Prorations*:	_____
Taxes Prorated for 289 days <u>3,106.00</u>	Estimated Net Proceeds: <u>(22,333.00)</u>
Interest (Assumptions)** _____	
Maintenance Fees _____	
Assessments _____	
Rents _____	
Recording Fees <u>25.00</u>	
Repairs Required by Buyer _____	
Repairs Required by Lender _____	
Residential Service Contract <u>450.00</u>	
Seller Allowances or FHA/VA Nonallowables (Para. 12) _____	
Survey Fee <u>600.00</u>	
Tax Certificate Fee <u>20.00</u>	
Title Policy - Owner's <u>1,152.00</u>	
Wiring Fees _____	
<u>Buyer Concessions</u> <u>4,500.00</u>	
_____	
_____	
Total Estimated Costs <u>\$19,108.00</u>	
	After Closing Refunds
	Estimated Unused Insurance _____
	Estimated Escrow Balance <u>3,106.00</u>
	_____
	_____
	Total Estimated Refunds: <u>3,106.00</u>

Note: Seller may be required to pay some costs directly to the service providers before closing.  
\* Prorations are calculated through the closing date.  
\*\* Interest is prorated only in assumption transactions.

Prepared by: Brian E Adams

(TAR-1935) 1-2-03 Seller's Initials to acknowledge receipt: \_\_\_\_\_, \_\_\_\_\_ Page 1 of 1

StarPac Real Estate Central TX, 311 E. Stan Schriener Loop Killeen, TX 76542  
Phone: (512) 990-2384 Fax: Brian Adams  
Produced with ZipForm® by zipLogic 18375 Fifteen Mile Road, Fraser, Michigan 48806 www.zipLogic.com Seller's Net

The key number is "Estimated Net Proceeds". Parentheses means it is a negative number. So even if he got a full price offer for exactly what he paid for his home, \$150,000, he would only see \$130,892 of that. But he owes \$153,225, meaning **he would have to pay \$22,333 to sell his own home.**

It will at least be **several years waiting to pay down equity** or hoping market prices rise before SFC Romo could break even.

Many Soldiers' financial situations change, they find that they bought more house than they could keep up with, and find that they can't sell it without bringing a lot of money to the table. That is why there will always be plenty of VA foreclosures in military towns like Killeen.

Not just the VA loan, but homes that have loans with high loan-to-value ratios like Conventional, FHA and USDA are seldom good options if you think you may have to sell the home only a few years after purchasing it.

Again, the **VA loan is a GREAT tool** for unlocking homeownership and getting out of putting rent into someone else's pocket. But like any tool, it still must be used responsibly.

## The Home Buyer Ten Commandments

You've got a great lender, you've found your home, and the seller has accepted your offer! And now you are going to celebrate by buying a new truck for the oversized garage, new 75" television for the media room, and maybe help your daughter get a home in her college town with all the spare change you have from getting a great deal on your home.

No!

You have not bought your home yet, and the deal is not done! You shall follow the following commandments if you want to actually ever move into your new home.

**Thou shalt not change jobs, become self-employed or quit your job.** Your lender WILL find out, and your debt-to-income ratios will skyrocket. Most lenders require two years of tax returns for self-employed people, so if you are just getting started out (maybe as a REALTOR®?), don't plan on any home mortgages in the next two years.

**Thou shalt not buy a car, truck or van (or you may be living in it)!** Your lender works hard to get all your finances approved by the underwriter, and when those numbers change, underwriters get very, very grumpy.

**Thou shalt not use credit cards excessively or let your accounts fall behind.** The same day as closing, your lender will do a soft pull on your credit, and if there are any major changes, or ESPECIALLY an unpaid bill, your home just went POOF!

**Thou shalt not spend money you have set aside for closing.** You will get a Good Faith Estimate (GFE) from your lender with approximately how much you will need to bring to closing. If you don't have this, then no closing. Incredibly, some buyers get approved and then spend the money they had to buy the house. Don't do that!

**Thou shalt not omit debts or liabilities from your loan application.** It's called mortgage fraud, and though I have not personally had any experience with it, I understand that the FBI does care.



**Thou shalt not get married or divorced.** At least until after the closing. Divorces especially are a major period during which it is probably not a good idea to be buying homes. Texas is a community property state. Even if just your name is on the loan paperwork, your significant other (or soon-to-be-ex-significant other) will have to sign the papers at closing. Or, your newlywed bride or groom's credit score and debts are now YOUR credit score and debts. Wait until after closing!

**Thou shalt not originate any inquiries into your credit.** Don't look into new credit cards, car loans, nuthin'! Wait until after closing and then go crazy using your sacred American consumer rights.

**Thou shalt not make large deposits without first checking with your loan officer.** Lenders have tried their hardest to carefully account for all your money. Large deposits create large questions about from where the money came and why. Check with your lender first when moving money around.

**Thou shalt not change bank accounts.** That is just confusing and, again, is an unhappy surprise for your lender on closing day when they have to track down your money. You will not close on time, at a minimum, and could lose the home altogether.

**Thou shalt not co-sign a loan for anyone.** Co-signing = signing.

Buying a house is a major, often complicated, and delicate process. Your credit must not change or be affected in any way until you actually sign the paperwork and get possession of your new home. Lenders will not only look into your credit when you first get pre-approved, they will check it again (and sometimes again and again) before they let you sign the mortgage. If you want to buy new furniture for your home or change jobs, just be patient. There will always be time to do it after the closing.

Following these commandments will ensure you have no nasty surprises the day you are scheduled to move in.



## 5 Tips for Living the Fort Hood Area

### 1. Avoid the Army Post Traffic

For the military members of Fort Hood's community, Army traffic is unavoidable. But for the rest of the community not already intimately knowledgeable about the post's hours and traffic patterns, it is a good idea to brush up, or you will find yourself stuck on W. S. Young forever trying to get to the mall.

The times to avoid being out and about if possible is before and after PRT (Physical Readiness Training, or just the more often used "PT"), during Army lunch, and when post lets out.

Before – After PT: Avoid 0530-0630 (5:30 – 6:30 AM) and 0800-0930 (8:00 – 9:00 AM).

Lunch: Avoid 1130-1300 (11:30 AM to 1:00 PM).

Post Close: 1700 (5:00 PM) MON-WED, FRI

Post Close: 1500 (3:00 PM) THU

Thursday at 3 PM is an early day for "Phantom Warrior Family Time", and is the worst time to be on the roads any given week. Unlike other days when Soldiers may leave o/a (on or around) 1700, Soldiers are forced to go home at 3:00 PM on Thursdays (though it is not as strictly enforced as it once was). Therefore, the traffic is a heapin' hot mess on 3:00 PM Thursdays.

A recent massive expansion of Hwy 190, adding the Rosewood exit, expanding W S Young, Knights Way, Stagecoach and Hwy 195 have all helped with the traffic congestion. But it won't change how busy the area is when the Soldiers come off post.

### 2. Don't Get Stuck on Living "Close" to Post

As an agent and property manager, I run into a lot of buyers and tenants who want to live "close to post". Unless you lack a car, just about everywhere in Killeen is "close to post". Yowell Ranch, for example, is an up and coming neighborhood on Killeen's SE side that is about as far from post as you can get within the city limits of Killeen. Driving, with traffic, it is about 20 minutes away.

Harker Heights is really no farther. I think you could comfortably get from Briarwood Estates on the far east side of Harker Heights to post in 20 minutes. Even Nolanville is all a short hop to Hwy 190 / Central Texas Expressway and ... 20 minutes to post.

If you want to live outside an "Army town" around "regular people", then your closest options might be Belton/Temple or Lampasas, though even there you will see ACUs with some frequency. Getting even further away is Georgetown, Round Rock, Leander or Cedar Park – all closer to Austin and about a 45 minutes to 1 hr drive from post.

I wouldn't recommend going that far unless it is extremely important to you. But in general, getting stuck on being close to post is going to severely and unnecessarily limit your home options.

### 3. Don't Get Haircuts on Sundays

Sundays are the worst days for getting haircuts, as Soldiers are getting a last trim after the weekend and reporting early to PT the next morning.

### 4. Don't be surprised by the BOOMS!

You're not likely to live far away enough to not hear it on occasion. Thunder. Or, Steel Rain, more accurately. Artillery. Even as large as the Fort Hood training area is, the artillery won't be far enough away that you won't hear its gentle rumble from time to time. In my own experience, it's never been louder than distant thunder, reasonably infrequent, and entirely tolerable. Even areas as far as Temple/Belton hear the artillery, rolling in over the Belton Lake from the Fort Hood training ground.

### 5. Think Outside the Fort Hood Area

There is a lot of hot and cold, love and hate for Killeen among military and non-military alike. Killeen is a relatively large town for a military base, and it will definitely have all your essentials with a serviceable mall, lots of chain dining, 3 Wal Marts, 2 HEBs, a Convention Center and quality movie theaters. But it may not have everything you want, be it shopping or outdoor activities or culture.

Do not fear. You are in Central Texas, of which Killeen is a tiny part. You are an hour away from the world-renowned Austin night life and music scene, the Round Rock shopping outlets, the scenic Texas Hill Country with its rolling burgeoning vineyards and plentiful lakes, or Waco museums. If you can't find what you need there, the overflowing cornucopia within the metropolises of Dallas, Houston, and San Antonio are all within three hours' drive



# GLOSSARY

**Amortization.** The method by which a loan is paid off with fixed installments (mortgage payments in the case of home loans). The first payment is mostly interest, and pays off just a little of the principal. But each subsequent mortgage payment pays more and more of the principal. This means what you owe on your mortgage payment will not go down quickly at first, or in a linear manner.

**CMA (Comparative Market Analysis).** This document is what a licensed Realtor® prepares for either a buyer or seller, showing sales prices and features of “comparable” homes (or “comps”) to the subject property in order to determine a fair market value.

**Contingency.** A contingency is when your lender preapproval is “contingent” on you selling or renting the current home you own. You can contract on a house with this contingency, but will have to sell or rent your home prior to closing, which can take weeks or months. Sellers therefore don’t like to see contingencies, but may accept them if you ask.

**Escrow.** An escrow is when a third party is holding onto one person’s money in preparation to pay it to someone else. There are two occasions this happens in the real estate transaction.

1. The **title company** acts as an escrow officer during the transaction, holding onto the lender’s money, commissions, earnest money, and anything else until everyone has signed and closed.
2. After closing, **the lender** sets up an escrow for your property taxes and insurance payments. It collects these from you, and then pays your taxes and insurance for you.

**FHAAR.** The Fort Hood Area Association of Realtors, the local Realtor® professional organization, also responsible for the MLS.

**MLS (Multiple Listing Service).** The database that brokers use to upload and view home listings to. It is an agent’s bread and butter – looking up past sales, current information, and market data.

# WHAT NEXT?

Now what?

This guide is a tiny fraction of what one needs to know about buying a home and the Fort Hood area. The first step is to **schedule a buyer consultation!**

## (512) 763 7912

We will review your circumstances and what you need and want in a home, and recommend a course of action to acquire your dream home! Meanwhile, feel free to [search homes at our website](#) in the meantime for homes in our area!

## About Me

A Dallas native, I made my way to Central Texas when posted to Fort Hood in the Army. I attended the United States Military Academy at West Point and spent five years in the Field Artillery branch. I deployed for ten months to Afghanistan in 2011-12 where I worked on a training team.

My wife, Helen, is from London. We met when both on vacation in Mexico, less than two months before I deployed to Afghanistan. We have since married and had two happy and beautiful daughters, Heather Lily and Matilda May.

Real estate has been my passion since leaving the Army. I am blessed to be making a living doing something I love. I am passionate about building a business model that adds value to you, the home buyer, and ensures you get the best home for the best deal and a great experience.



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