

Concurrent Closing: Sell Before Buying a Home in the Austin Housing Market

What is a Concurrent Closing?

Concurrent closing is when a homeowner sells their home and purchases a new one in a short amount of time. The fastest way



to sell your home and buy another right away is through concurrent closing. When two properties are dependent on each other to close, concurrent closing is the term that is being used. In order for it to be a concurrent close, the first closing must be completed before the next can happen.

The Concurrent Closing Process

Selling and buying concurrently involves finalizing the closing of the home that you're **selling and then purchasing your new home** to be finalized which usually happens within two days.

The process first begins when you find a buyer for your home and the buyer pays for your property.

When a buyer is taking out a mortgage, the buyer's lender will wire loan funds to the title company, and if the buyer wire funds for downpayment and closing costs or if you have sold your home to a cash buyer, the buyer wires all the funds to the escrow company.

The next step will be the title company paying off your existing debt if you have an existing mortgage on the property you're selling followed by the title company ordering the Grant Deed which will confirm the transfer of ownership from you to the buyer.

Once it's confirmed, the title company will transfer the remaining funds to the escrow company that will handle the sale of your home. Any net proceeds from the sale of your home will be credited to you.

As you now become the buyer ready to purchase your new home, you will be wiring the funds **now** to the escrow company that handles your new home to where you'll cover down payment and closing costs. The escrow company that handles the sale of your home will transfer the funds to the title company that handles the purchase of your home. Will you be taking a mortgage? If

so, your lender will wire the loan funds to the title company.

Similar to the process stated above, if the seller who you're buying the home from has an outstanding mortgage, the title company will pay off that debt and will be giving the seller the ability to deed the property to you.

After the title company orders the Grant deed and confirms the transfer of ownership to you as the buyer, the title company will then transfer any remaining funds to the escrow company where any refunds and remaining balances will be disbursed to you. If you're in the Austin area, our [Spyglass Realty Select Move Program](#) does exactly that where we can help you buy a home with the confidence of cash.

Moving During a Concurrent Closing

When can I move after closing? This is one of the most asked questions in concurrent closing situations. It will always be selling your home first before purchasing your new one. There is no overlap of ownership, hence, coordinating your move-out dates for both properties and finding a place for your possessions will be included in the transition.



To avoid the displacement gap, there are some ways to handle the situation:

1. A short-term lease on your old house after closing
2. Stay at a hotel between closings
3. Seller In Possession Addendum - signed by both you, the seller, and the buyers of your home where you can request the buyers to allow you to stay in your home for a short period of time after escrow closes.

Bridge Loan: Buy Before You Sell

In Austin's competitive market, homes get listed and sell very quickly. Some sellers may look down on contingent offers especially during a multiple offer situation. Now, a Bridge Loan will allow you to buy that property without a contingency. It is a short-term loan typically anywhere from 6 to 12 months that gives you the ability to purchase a second home before selling your current home.

Bridge Loans will require equity from your first home and will not obtain any mortgage until you sell your first home. It also gives you the ability to sell your house in a more flexible time frame. To learn more about Bridge Loans, our Austin real estate agents in Spyglass Realty are here to guide you.



The Key to a Successful Concurrent Closing

The key to ensuring everything goes smoothly and accordingly, is organization and communication. Communicate your needs to your real estate agent, escrow, and title companies. Read and check every detail in your paperwork and keep in touch with your agent and mortgage broker to ensure that everything is set.

The biggest advantage of a concurrent closing is that it ensures you have the money to fund your new home where the proceeds from that sale will be towards your home's down payment and closing costs. In some cases, you can complete the sale and purchase of your home on the same day which can help remove some hassle from the transaction.

So if you're selling a home and buying a new one, a concurrent closing is the way to do it. Choose the best real estate agent to represent you. Our agents are thoroughly trained in the art of negotiations and property evaluations.

Did you know that you can make a cash offer on a home even if you're getting a mortgage?

With the [Spyglass Select Move Program](#) – we're able to "loan" you the cash upfront to put an offer in and you can refinance right after you sell the home. You can also close the loan if you have a long enough escrow period, even if it's backed by cash. Contact us to [speak with a consultant](#) to learn more.