THE NEXT MOVE · A GUIDE FROM TROY KNIGHT & ANDREA CORRALES

The Rightsizing Playbook

What we'd tell our own parents about selling the family home and picking the next one.



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ENGEL&VÖLKERS®

You've been in the house a long time.

Thirty years, give or take. There's probably a door frame somewhere with the kids' heights penciled on it. Nobody is telling you to leave.

We wrote this because the "what's next" questions pile up quietly. What happens to my tax freeze? Do I owe capital gains? Where would we even go? And what do we do with everything in the garage? Most people don't get straight answers until they're already halfway through a move.

So here it is, in one place. Read it front to back or skip to whatever is keeping you up at night. Nothing in here requires you to call us.

We'd like it if you did, though.



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A word on "rightsizing"

It doesn't always mean smaller. Sometimes it's the same square footage on one floor, or a smaller place ten minutes from the grandkids. The point is a house that fits the life you have now.

01
Is it time?

Nobody rings a bell. These are the signs people tend to describe after the fact. Check the ones that sound like your house.

- [ ] There are rooms you only open when company comes.
- [ ] The stairs have gone from exercise to negotiation.
- [ ] You pay someone for the yard, the gutters and the pool, and the list keeps growing.
- [ ] The grandkids live in another zip code. Maybe another state.
- [ ] A big project is coming due (roof, HVAC, the kitchen) and you don't want to be the one who pays for it.
- [ ] Most of your net worth is sitting in drywall.
- [ ] You'd rather spend the money on trips than on repairs.
- [ ] You've started scrolling single-story listings "just to see."
- [ ] A friend moved last year and won't stop talking about how easy life is now.
- [ ] You can't remember the last time every bedroom was full.

Your score

0–2: Stay put and enjoy it. Keep this guide in a drawer.

3–5: It's worth running the numbers. Chapters 3 and 5 are a good place to start.

6 or more: You already knew. That's why you downloaded this.

Good to know

Deciding to explore isn't deciding to move. A market analysis and a few honest numbers cost you nothing and commit you to nothing.

02

Keep your tax freeze

If you're 65 or older, your school tax ceiling can move with you to a new Texas home. A surprising number of people sell without ever hearing that.

Once you have the over-65 (or disability) homestead exemption, your school district taxes are capped. Texas lets you carry that savings to a new homestead anywhere in the state. What moves is the **percentage** you save, not the dollar amount.

Three steps

1. **Ask for a tax ceiling certificate.**
   Request it from the appraisal district for the home you're selling. That's Travis Central Appraisal District for most of you, or Williamson Central Appraisal District if you're north of the county line.

2. **File the homestead exemption on the new home.**
   Use Form 50-114 with the new home's appraisal district. Check the over-65 box and the box to transfer a tax ceiling. Your driver's license needs to show the new address.

3. **Hand over the certificate.**
   The district applies your percentage to the new home's school taxes. Your savings move in with you.

How the math works

Old home school taxes without the ceiling	**$6,000**
What you actually pay with the ceiling	**$3,000**
Percentage you pay	**50%**
New home school taxes without a ceiling	**$5,000**
What you'd pay on the new home	**$2,500**

The fine print

This is the school district freeze. City and county freezes usually carry over only if you stay in the same city or county.

Every Texas homestead now gets $140,000 off its school taxable value, and owners 65+ get another $60,000 on top of that. Your appraisal district can confirm your exact numbers.

Example numbers are for illustration only.

03

What your equity buys

Thirty years of payments and appreciation add up to a number most people have never actually written down. Let's write it down.

Your worksheet

What the house would sell for	_____
Minus your mortgage or HELOC payoff	_____
Minus selling costs (use about 8% to plan)	_____
Cash at closing, before taxes	_____

An example

Sale price	**$900,000**
Mortgage payoff (paid off)	**$0**
Selling costs, about 8%	**−$72,000**
Cash at closing	**$828,000**

Three ways that $828,000 could play out

A.

Pay cash for a $550,000 single-story. Bank about $278,000. No mortgage payment, ever again.

B.

Buy a $700,000 lock-and-leave townhome near the grandkids. Keep about $128,000 for travel and whatever the next twenty years throw at you.

C.

Rent for a year while you test a new neighborhood. The whole amount stays invested until you decide.

Good to know

Your real number comes from two things: a market analysis on your actual house and a seller net sheet that lists every cost line by line. We build both for free. If your gain is large, read Chapter 5 before you spend the money in your head.

Example numbers are for illustration only, not a valuation or a quote.

04

The 90-day countdown

Ninety days is comfortable. It can be done in thirty, but nobody enjoys it. Here's how the three months usually break down.

90–61

DECIDE & PLAN

- Get a real market analysis on the house, not an online guess
- Call your CPA about capital gains (Chapter 5)
- Pick sell-first or buy-first (Chapter 8)
- Start sorting, one room a week. Begin with the garage.

60–31

GET READY

- Walk the house with us and build the fix-or-leave list (Chapter 9)
- Book movers, an estate sale company or a move manager
- Knock out repairs and touch-up paint
- Give the kids a deadline to claim their things

30–1

ON THE MARKET

- Deep clean, then professional photos
- Go live: showings, offers, negotiation
- Option period, inspection and appraisal
- Forward the mail, set up utilities, lock the moving date

Closing

WEEK OF

- Final walk-through, sign, hand over the keys
- File the homestead exemption on the new place with your ceiling certificate
- Keep your closing statement with your tax records

The one thing people wish they'd started sooner

The sorting. Selling a house takes weeks. Sorting thirty years of a house takes months. If you do nothing else this season, clean out one closet a week and you'll thank yourself in the spring.

Timing the market

Austin's busiest listing season usually runs from late winter into early summer. That's when buyer traffic is highest, and it's also when the most competition hits the market. We'll look at your neighborhood's actual numbers before picking a date.

05

Capital gains and your cost basis

After thirty years in Austin, the gain on your house may be bigger than the tax break. Check before you list, not after you sign.

Federal law lets you exclude up to **$250,000** of gain on your main home, or **$500,000** if you're married filing jointly, as long as you've owned and lived there two of the last five years. Those limits were set in 1997 and haven't moved since. Austin home prices have.

Gain = sale price − selling costs − (what you paid + improvements)

Three things that can shrink the number

1. **Improvements count.** Additions, a new roof, HVAC, remodels, windows, a pool, fencing. They raise your basis. Ordinary repairs and repainting don't.

2. **Texas is a community property state.** When one spouse passes, a home held as community property generally gets a stepped-up basis on the whole house, not just half. That can wipe out decades of gain.

3. **Surviving spouses keep the $500,000 limit** if the home sells within two years of the spouse's death and they haven't remarried.

Gather these before you call your CPA

- ☐ The closing statement from when you bought the house
- ☐ Receipts or permits for every improvement you can find
- ☐ Refinance paperwork
- ☐ Any home office or rental depreciation you've claimed
- ☐ If a spouse has passed: the date of death and any appraisal from that time
- ☐ Last year's tax return

Several bills in Congress would raise or remove the $250,000/$500,000 cap. None has become law as of this printing, so plan around today's rules.

06

Where to go next

Most people land in one of four places. Each one solves a problem and creates a new one. Pick the problem you'd rather have.

Single-story

Good fit if you want the same life without the stairs, and you still like having a yard.

Watch for competition. Good single-story homes in established neighborhoods don't sit long, and a lot of the newer ones are farther out.

Lock-and-leave

Good fit if you travel, you're done with yard work and you want someone else to own the roof. Think townhomes and condos.

Watch for HOA dues, special assessments and rules. Read the HOA documents before you fall in love with the kitchen.

55+ community

Good fit if you want neighbors at the same stage of life, plus clubs, pools and a calendar full of things to do. Sun City in Georgetown is the big one around here.

Watch for drive times to doctors and family, and a smaller pool of buyers when it's time to sell.

Closer to family

Good fit if the grandkids are the reason you'd move at all.

Watch for leaving Texas. You give up the school tax ceiling and you may pick up a state income tax. Run the numbers both ways.

Not sure yet? Rent first.

A one-year lease in the neighborhood you're considering is a cheap way to find out if you actually like it. Your equity stays invested, and you're not making a thirty-year decision on a two-hour tour.

07

The stuff (and who helps)

Thirty years of belongings doesn't leave in a weekend. It leaves one room at a time.

Four piles

Keep

It fits the new place and you use it.

Kids

Set aside with their name on it.

Sell or donate

Estate sale, consignment or a charity pickup.

Toss

Be honest. The pile is bigger than you think.

House rules

- Start with the rooms that hold the fewest memories: the garage, the linen closet, the attic. Save the photo albums for last.
- Measure the next place before you decide on furniture.
- Give the kids a date. Whatever isn't claimed by then goes to the sale.
- Scan old photos and paperwork. Keep the originals that matter.

Who does what

Who	What they handle
Move manager	Plans the whole move, maps your furniture to the new floor plan, packs and unpacks.
Estate sale company	Sells what's left, usually for a percentage of what they bring in.
Movers	Get three quotes. In-state household goods movers must be registered with the TxDMV.
Junk haul	Takes the toss pile, and the stuff the charity wouldn't.
Handyman	Pre-listing fixes from your Chapter 9 list.
Move-out clean	RainFresh Clean. Full disclosure: that one's ours.

> **Want names?**
>
> We keep a short list of vendors we've actually used. Call or text and we'll send it over.

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Sell first or buy first?

The question everyone asks. There's no universal answer, but there are only three real options.

	Sell first	Buy first	Buy, contingent on selling
How it works	Close on your house, then buy the next one with cash in hand.	Buy the next home, move once, then sell the old one empty.	Your offer depends on your current house selling by a set date.
The upside	You know your exact budget. No double payments. You shop as a strong buyer.	One move. No rush. The old house shows better empty.	No risk of owning two houses.
The catch	You may need a place to land between homes.	You carry two homes for a while and need the cash or financing to do it.	It's the weakest offer on the table. Sellers with other options usually pass.
Tools that help	A rent-back after closing. Texas has a standard Seller's Temporary Residential Lease for stays of 90 days or less.	Cash, a bridge loan, or a HELOC opened before you list. Lenders generally won't open one on a listed house.	Works best when the house you want has been sitting and the seller has few other offers.

Our take

For long-time owners with a lot of equity, selling first with a rent-back is usually the least stressful path. You walk into the next purchase knowing exactly what you have to spend, and you're not racing a clock with two mortgages.

Good to know

A rent-back is negotiated with your buyer. Some buyers' lenders limit how long a seller can stay, so we ask early.

Talk to your lender and your CPA before choosing a financing strategy.

09

Fix it or leave it

You don't need a remodel to sell a thirty-year-old house. You need to take away the reasons a buyer would hesitate.

> *Fix what scares buyers. Refresh what shows up in photos. Skip what buyers want to choose themselves.*

Fix it

- Roof leaks and water stains
- Foundation movement
- An HVAC system on its last legs
- Electrical and safety items
- Anything an inspector will circle in red

Refresh it

- Paint in a light neutral
- Dated light fixtures and every burned-out bulb
- Worn carpet
- Overgrown beds, mulch and a power wash
- A true deep clean

Leave it

- Full kitchen and bath remodels
- New appliance packages
- Taste projects like backsplash, tile and countertops
- Anything the next owner will tear out anyway

Consider a pre-listing inspection

It costs a few hundred dollars and takes the surprises out of the option period. You decide what to fix, what to disclose and what to price in, before a buyer's inspector decides for you.

Selling as-is?

That's a real option. You trade some price for a lot of convenience. We'll show you both numbers side by side so you can pick.

10
Talking with your kids

The boxes are the easy part. The conversation is usually harder.

1. **You're telling them, not asking them.**
   It's your house and your next chapter. Their opinion matters. Their vote doesn't.

2. **Tell them before the sign goes up.**
   Nobody should find out from a listing alert.

3. **Expect feelings.**
   They grew up there. Invite them for one last walk-through and let them take pictures.

4. **Give them a job.**
   Claim their stuff by a date, help on moving day, scout the new neighborhood with you.

5. **Be clear about the money.**
   What you do with your equity is your decision. If you want them to know the plan, tell them once and plainly.

LINES THAT HELP

> *"We're thinking about what the next twenty years look like, and this house isn't it."*

> *"Come take anything you want by March 1. After that, it goes to the estate sale."*

> *"We'd love your help on moving day. We don't need your permission."*

Good to know

Adult kids often push back hardest on the house they rarely visit. Give it a few weeks. Most come around once they see the new place.

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How we help

When you're ready to talk, or just ready to see a number, here's what you get from us. None of it costs anything until you sell.

1. **A real market analysis on your home.**
   Not an algorithm. We walk the house, pull the comps and price it like it was our own. Request one at raineypropertygroup.com/value.

2. **A seller net sheet.**
   Every cost, line by line, so you know what you'll actually walk away with.

3. **One plan for both moves.**
   Selling this house and finding the next one, in Austin or wherever you're headed. If you're leaving town, we'll connect you with an agent we trust there.

4. **Our vendor list.**
   Movers, estate sales, handymen and cleaners we've used ourselves.

5. **No pressure on timing.**
   If the answer is "not yet," that's a fine answer. We'll check back when you want us to.



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