



A Guide To Understanding Your Home Equity

*Knowing Your
Numbers*

Making Informed
Decisions





Hi, I'm Lisa - Buying or selling a home isn't just a transaction. It's one of life's most significant emotional and financial decisions, and you deserve a guide who understands both sides of that equation. A Different Approach to Real Estate

I specialize in what I call 'rightsizing'—helping families find homes that fit their current life stage, rather than simply moving up or down. Whether you're empty nesters looking for less maintenance, growing families needing more space, or anywhere in between, I help you find your perfect place to land.

My background in counseling means I listen first and sell second. I ask questions that help you clarify what you really need, not just what you think you want. And I provide education and guidance every step of the way—because informed clients make confident decisions.

Why Home Equity Matters

Your home equity is likely one of your largest financial assets. Yet many people make major housing decisions based on rough estimates, outdated information, or online calculators that don't account for the real costs involved. That uncertainty creates stress, limits options, and sometimes leads to regrettable decisions.

I created this guide because I believe you deserve better. You deserve to know exactly where you stand financially before you start looking at homes, making offers, or planning your next chapter. When you understand your numbers, you can make decisions from a place of confidence instead of anxiety.

How to Use This Guide

This guide walks you through seven essential steps to understanding your unique situation and the process in discovering your home equity.

Understanding your home equity is the foundation of making confident, informed decisions about your next move. Whether you're rightsizing to better fit your current life stage or transitioning to a new chapter, knowing your numbers removes guesswork and replaces it with clarity.

Step 1: Get a Current Market Analysis

Your home's value isn't what you paid for it, what you think it's worth, or what Zillow says—it's what a buyer will actually pay in today's market. A professional market analysis considers your home's specific condition, location, upgrades, and current market trends to give you a realistic estimate.

Key consideration: Understand the difference between list price (what you ask), sale price (what homes are actually selling for), and what YOUR specific home could sell for based on its unique features and condition.

Step 2: Determine What You Owe

Contact your lender for your current mortgage payoff amount. This is different from your regular monthly statement balance—it includes interest calculated through your closing date and any prepayment fees.

Don't forget to check for: Second mortgages, home equity lines of credit (HELOCs), property tax obligations, HOA fees, and any liens on the property.

Step 3: Create an Estimated Net Sheet

This is where the rubber meets the road. Work with a trusted real estate agent to create a detailed net sheet that shows your estimated proceeds after all costs. This includes real estate commissions, closing costs, title fees, prorated property taxes, and any repairs or concessions you might need to make.

Important: This net sheet is your planning tool. It shows what you'll actually walk away with—not just the difference between your home's value and what you owe.

Step 4: Consult with a Lender

Armed with your estimated net proceeds, meet with a mortgage lender to determine your purchasing power for your next home. They'll help you understand how your equity can be used for a down payment and what your new monthly payment would look like at different price points.

This step helps you set a realistic budget for your next place to land—one that fits your lifestyle and financial goals.



Step 5: Discuss Timing & Strategy

Timing can make a significant difference in your net proceeds and stress level. Work with your agent to create a timeline that considers market conditions, your personal schedule, and whether you'll buy before you sell, sell before you buy, or handle both simultaneously. Each approach has different financial and logistical implications.

Step 6: Factor in Transition Costs

Beyond the sale, budget for moving expenses, temporary storage if needed, potential overlap in housing payments, and reserves for your next home (inspection, appraisal, earnest money, and down payment). These costs can add up quickly and should be part of your planning from the start.

Step 7: Understand Your Equity Options

Once you know your net proceeds, think strategically about how to use them: larger down payment to reduce monthly costs, debt elimination to improve cash flow, reserves for emergencies, improvements to your new property, or a combination. Your equity is a tool—make sure it serves your goals.

Common Mistakes to Avoid

- ✗ Using online estimates as fact - Get a professional market analysis
- ✗ Forgetting about prepayment penalties - Check your mortgage terms
- ✗ Underestimating closing costs - Budget 1-2% of sale price for seller costs
- ✗ Not accounting for your next down payment - Remember you'll need funds for your next home
- ✗ Making decisions based on emotions - Let the numbers guide you

Your journey to your perfect place to land starts with knowing your numbers. Let's work together to create a clear picture of your home equity and develop a personalized strategy for your next move.

Ready to understand your home equity?
Schedule a consultation with Lisa today.
Lisa Hansen, Realtor® | Epique Realty

Text or Call: 612-597-2058
lisa@lisahansenrealestate.com

