

The Buying Process

Are you in the market for a home? If it's your first time purchasing a home, you may wonder what to expect during the buying process. Even if you've purchased a home before, the process has many variables and may not be the same every time. If you or someone you know is thinking of buying a home, give us a call!

Do your homework. When you know what you want, you'll have an easier time finding it.

- **Where do you want to live?** Drive around the neighborhoods and write down what inspires you about the homes that catch your attention.
- **What do you want in a home?** List the features of your ideal home, including the number of bedrooms, bathrooms, kitchen size and style. Also, note your ideal yard size, commute and proximity to schools or other amenities.
- **What are your deal breakers?** What features or characteristics do you want to avoid or would make you pass on a particular home?

Since buying a home is a process of elimination, not a process of selection, you may have to prioritize the items on your list to find the right home for your needs. Consider how much you'd be willing to give up for each item on the list. Would you consider a home that has a smaller yard than you want if it's closer to work and great schools? You may not find a home that is one hundred percent to your liking, so decide which features you are willing to negotiate on.

Get prequalified for a mortgage, if you're planning to finance your purchase.

This will help you determine how much house you can afford. Use an online affordability calculator to get a general idea. Your lender will use your financial information to determine how much they're willing to lend. Later on, when you reach the preapproval stage, you'll be asked to submit paperwork, including bank statements and your W-2, to help your lender verify your finances and credit. If you need a mortgage broker, give us a call.

- **Make sure your credit is in great shape.** Get a copy of your credit report and check your score. If you see any errors, be sure to get them taken care of before you apply for a loan.
- **Avoid making large purchases.** While it's tempting to shop for big-ticket items for your new place, wait to make big purchases until after the sale closes, especially if you plan on using your credit cards or financing.

Start your home search. In addition to meeting with us to discuss your options, look online and drive through your desired neighborhoods to view homes on the market. When you see one you like, give us a call and we'll schedule a showing. To save time, refer to your must have/deal breaker list to narrow down which homes to view in person.

- At each home, test the plumbing to check out the water pressure, turn the light switches on and off, open and close the doors and make note of areas for repair inside and outside of the home.
- Ask yourself if the home fits your needs. Will you have to undertake renovations to make it fit?
- Take note of the neighborhood: Are the homes well maintained? Is there heavy traffic and high demand for parking? What amenities are nearby?

Submit an offer. When you find a home that meets your needs, we'll help you make an offer. The offer includes a commitment for a deposit of good faith, so be sure to have the cash available. Within the offer, you can request conditions of the sale, such as repairs to be made or appliances you'd like to be included in the purchase. The seller can agree to the terms or make a counter offer. Once the offer is accepted and signed by both parties, the process is started.

Know the fees involved in the sale.

There may be other fees and taxes associated with the sale, which vary by state. Give us a call and we'll outline the other costs associated with your purchase.

Consider getting a home inspection. A home inspector will look for structural damage, potential repairs and other issues. Many buyers make the offer contingent upon the results of the inspection. If the inspector finds a major issue, you may have the opportunity to renegotiate or withdraw your offer.

- Review the inspection report and decide which repairs should be addressed by the seller before closing.
- Before the sale is finalized, you'll have the opportunity to walk through the home and make sure the repairs were completed.

Learn the home's value. Your lender will have an appraiser from a third-party company provide an estimate of the home's value, ensuring you pay the fair price of the home.



Shop for home insurance. Home insurance protects your biggest investment. Meet with your insurance broker to go over your options and ensure you have the coverage you need.

Closing. Prior to closing, your lender or escrow company will work with a title company to research the deed and ensure it's free of any liens or other ownership entities, among other things. If you have questions about the terms of the sale or you have other legal concerns, a real estate attorney can address all of them.

At closing, you'll read over and sign the paperwork. When the check is given to the seller from your loan company, you'll be able to move in.

Why buy a new home?

- 1. Avoid having to renovate or make repairs.** Since everything is brand-new, it may be years before you have to update or repair major features or systems.
- 2. Opportunity to customize the home.** With a new home, you can ensure yours has the style and features you want.
- 3. Amenities of living in a new community.** Newer neighborhoods may offer community benefits, such as playgrounds, pools, clubhouses and walking trails.
- 4. Energy efficiency.** Many new homes include energy efficient features and appliances as part of the design.



Why buy a previously-owned home?

- 1. Better price.** You may be able to negotiate a better deal with a seller versus a developer, especially if they have to move within a set time frame.
- 2. Better overall value.** When you negotiate with a seller, they may agree to include a home warranty, appliances and other items with the deal.
- 3. Charm and character.** Older homes may offer unique architecture and features, as well as a certain "lived-in" charm.