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**What Every
Person
Needs to
Know
About
Buying a
House**

By Ashley Leigh

*“Real estate cannot be lost or stolen,
nor can it be carried away.
Purchased with common sense and
managed with reasonable care, it is about the
safest investment in the world.”*

Franklin D. Roosevelt

Dedication

To my clients who have trusted me to help them find the home of their dreams in good times and bad. It is because of you I jump out of bed every day excited about the opportunities to serve.

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Introduction

“Let the Buyer Beware

Welcome to what I sincerely hope is the most truthful, blunt, straight-forward, non sugar-coated, no holds-barred, book about buying real estate ever written on the subject.

I hope to strike a chord with you: the chord of authenticity.

NO college classroom theory
or fluffy nonsense

Only real world truths from someone who succeeds day in day out running their own real estate agency.

I have written this book as if we were sitting around at the end of the day on the dock, watching the

sunset, enjoying a cool beverage, and just hanging out talking real estate.

I have occasionally been described as a TOUGH, demanding, no-nonsense Realtor®.

These people would be correct in describing me as a person who does NOT believe in confusing fantasy with reality. I believe in "accurate thinking" over positive thinking and have found I am most successful when I have a firm grip on the way things really are and least successful when caught wrestling with the way things "ought to be."

In this book, I will share with you my years of real estate experience.

What has worked for my clients – what has NOT worked.

If you are looking to buy a house...

You will find this book will help you move forward.

If You Are Just Getting Started In The home buying process...

Thank your lucky stars you got this book before making mistakes. We are not in the same real estate market as our parents once were. Times have changed and strategies that worked 30 years ago no longer work.

It is my job to help you avoid as many pitfalls as possible. I am going to be your expert guide, and in the end – once you have had a chance to read this book,

hopefully be your agent to finding your dream place to live or buy for investment.

This Is A No-Nonsense house buying book...

I am going to

- teach you how to judge the skill of a Realtor® you chose
- help you find the newest in technology aids for home hunters
- give you money-saving tips on hiring a top notch home inspector to provide you home-buying peace of mind
- guide you through finding great deals
- help you negotiate a win-win closing
-and a lot more

I welcome your comments, thoughts or questions. You can communicate with me directly by email or phone at:

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To Your Home Buying Success!



1

What This Book is NOT About

I think it's important to take a few minutes and talk about what this book is NOT about – to get some of your fears, skepticism, and doubts out of the way.

Any person can study and pass the real estate test. But it takes a true expert who has spent years in the home buying trenches to know how to help you navigate the pitfalls that are out there when buying a home.

Whether this is your first home – or your 10th home – things change, laws change, neighborhoods change. Unless you're in the trenches day in and day

out, you probably don't have your finger on the pulse of those changes.

- This book is NOT about rehashing the stuff you can find by looking on the internet
- It is NOT about bashing other agents, but to tell you why my proprietary home buying methods have worked so well and catapulted me to the top of all agents in this area
- It is NOT an encyclopedia of everything you need to know about buying a home. That's where my knowledge and experience come in when we work together

Let's get started....



2

Tips for First Time Buyers

Buying a new home can be one of the most difficult and intimidating tasks you will face as an adult. Some compare buying a new home to public speaking. The fear of the unknown can set in allowing your mind to make up its own story.

I know it's true because we've all been a first time buyer.

The Importance of Pre-Approval (Pre-qualified)

The #1 mistake first time buyers make is NOT

getting pre approved/pre-qualified from a lender. Imagine spending the day looking at homes online or with your Realtor®. You find your dream home and decide to make an offer.

But when you meet with your mortgage professional, you find out the home is out of your price range.

The time and energy spent is wasted; leading to frustration for you and the seller.

Getting Pre-Qualified

You should first meet and interview legitimate lenders to get pre-qualified for a loan. Consider a federally-insured bank or an NCUA-insured credit union to obtain a loan application, good faith estimate (GFE), and a credit score disclosure.

The lender will determine your buying ability based upon:

- work history
- earnings history
- current savings
- debt-to-income ratios (current liabilities)
- down payment capacity
- savings reserves post-closing

Obviously, credit scores will not only impact the loan interest rate, but also will determine if you will qualify for a conventional or FHA loan.

- **The minimum credit score for an FHA loan is lower, but includes more up-front fees to offset the risk**
- **The minimum credit score for a 97% Home path loan (Fannie Mae's proprietary product) is usually slightly higher**
- **For a standard conventional loan with a loan-to-value of 95% or higher, buyers will typically need an even higher credit score to obtain mortgage insurance**

The lender will establish sales price, loan amount, and loan payment amounts based upon guidelines that calculate your maximum debt limit.

Obtaining a home loan can be a full-time job, making it a part of the process where you must exercise some patience.

In today's financial climate, lenders will require a ton of documentation, including:

- Income and asset documents
- Pay stubs
- Each numbered page of the last two bank statements
- IRA and 401K statements
- Brokerage account statements
- Income tax returns from the past few years, and other tax forms

You should also be advised to start saving all your statements as lenders don't like internet printouts

The reason for this is simple—the banks want to ensure a return on their investment and mitigate any potential borrower default.

Meeting with a mortgage lender before looking at homes is crucial to your success

Most mortgage professionals provide pre-approval at no cost or obligation to the applicant.

A few more tips that will save you a lot of headache:

- **Don't close any revolving credit cards before beginning to shop for a house**
- *Don't apply for new credit cards, car loans or department store charge cards*
- **Don't let any account go into collection**
- *It's also a good idea for you to always pay insurance co-payments at the time of doctor's visits*

Buying a home requires patience – and time!

Below are a few points to know about buying a home:

- **Closing on a house can take (on average) four to six weeks** from the date the contract is accepted. This time is for
 - inspections
 - appraisals
 - getting your mortgage paperwork in order
 - conducting a title search
 - and obtaining homeowner's insurance
- Since many first-time home buyers are currently renting a house or apartment, **they will need to let their landlord know of their plans to move.** If the closing date in the purchase contract calls for a middle of the month closing, buyers should pay their rent through the end of the month so they will be able to move slowly and not feel rushed
- Arranging time for moving is often overlooked. Work, school, and **all your spare time has to be dedicated to the moving process.** But if you plan from the beginning, moving becomes enjoyable, if not exciting

The Realtor® Interview – who should you hire?

Not all realtors® are created equal. It's important you choose the right Realtor® to help you find the right home for you.

Whether you're a first time buyer or simply moving to a new home, you'll want to find a Realtor® who is

- Experienced
- Willing to help with negotiating repairs, if needed
- Has a great network of possible homes to look at
- Has a personality that fits with you
- Listens to your wants and needs and has your best interest at heart.
- Helps point out things you may not notice when looking for a home and willing to teach you through the process.
- Has a dream team of assistants helping with all the details

In the next chapter I'll go into more detail about how to choose a realtor®.

3 Your Realtor's Knowledge is Power!

Your realtor® is arguably the most important person in your home-buying experience. You need to find one who regularly tracks the local market and can explain whether an area is declining or on the rise.

Realtors with their thumb on the pulse of the market are able to spot minor changes long before others see them coming. They can provide a view of

the overall market or a detailed view of a specific neighborhood or zip code.

To start the hunt for the perfect home, **find a realtor® who has the most knowledge about the market area where you plan to live.**

If you planned to purchase a home in California, would you rely on market information from your realtor® cousin in New York?

He/she might be able to provide negotiating techniques common in his market, but will that do you any good in California?

Who to Hire (not a decision to take lightly)

You want to hire a

- **full-time realtor®** who has made a career out of helping people buy and sell their homes
- Look for one who will **take the time to determine your specific requirements.** Most realtors only ask their clients about price range, square footage or the number of bedrooms and bathrooms desired. These structural details may assist them in searching for a property, but they don't address the reason people fall in love with their homes

- Your realtor® **should understand the seasonal tendencies of the housing market**
- They **should also understand how the current economy and interest rates are affecting home values at different price points.** This can alter your decisions of when to buy, what to buy, and how much to offer
- When you purchase a home, you are creating a lifestyle. **An experienced realtor® will be a great listener and ask great questions** like: *what made you choose where you currently live* and whether those things are still important to you. Another crucial question is *what will you miss most about your present home once you leave?* The answers to these questions will provide the realtor® with a good understanding of exactly what you are looking for

This analysis reveals many aspects you may not have thought about. It can reveal:

- Desirable school districts
- Proximity to bus lines and retail establishments that might not have been discussed previously

This information enables your realtor® to customize their search to locate the perfect home for

you and your family.

Riding the Rollercoaster with You

Buying a home can be an emotional roller coaster! It is **important to have the entire process explained from start to finish before you begin your search.** If you know what to expect, the wait doesn't seem as long, and you'll encounter much less stress. If a realtor® is not willing to spend time up-front to listen and understand your needs, find someone else who will!

- A good realtor® **will provide a market analysis and set an expectation** of how much you will need to pay to get the amenities important to you. By doing this up-front, planning before becoming emotionally attached to a home will enable you to make more logical decisions and avoid overpaying when you find the perfect home
- **Realtors who show you homes beyond your price range do you a disservice.** Once you are shown a home out of your price range, and fall in love with it, then finding a home with similar amenities in your price range will be difficult. *It's like love at first sight. Nothing after it will live up to the expectations.*

Seller's & Buyer's Markets

Spending time to review market graphs and charts before your search begins will help you understand whether the area is a Seller's Market. It will also help with determining where properties sell quickly, or if a Buyer's Market, where few homes are selling. This will help you decide whether it is the right time to buy.

There are questions you should consider as you get started.

- How much of your paycheck would you be willing to commit to a house payment?
- How much are you paying now?
- How many bedrooms do you need and how would you like them positioned?
- Do you want to live on one side of the freeway vs. the other?
- What part of the city are you most interested in?

In a **Seller's market** with a significant shortage of available homes, *you may need to offer more than the asking price.*

This can lead to an auction-like bidding war for a desirable home.

Knowing how much you would be willing to pay before you enter into a situation like this is highly advisable. Knowing the price that similar

homes in the area have sold for and how long it took them to sell will provide you with a good understanding of each specific neighborhood.

In a **Buyer's market**, it is important to *know if the home has been on the market for a long time and whether there have been recent price reductions.*

- Often, sellers will overprice their home so it sits unsold for several months. This causes potential buyers to question whether something is wrong with the property
- As a local expert, your realtor® will be able to help you determine when the last price reduction occurred
- They can find out why it occurred and how close your offer should be to the asking price in order to be considered

If your realtor® does not know their local market then you may fall into the trap of “Bidding Blind.”

- What price should you offer when you bid on a home?
- Is the seller's asking price too high, or is it a great deal at the current price?

If you don't have current information about how many similar homes are available and the price at which they are selling, you could easily overpay for your home or lose it to another buyer because your offer was too low.

Good deals don't last long in any market. You'll want to have the data readily available to help you make well-informed decisions

When you have a good understanding of the market, your realtor® can help you navigate past the over-priced homes and zero in on the great deals.

As you view over time, you will begin to recognize which homes are good values and which are over-priced. The homes you view can usually be placed in one of four categories:

Clearly Over-priced:

Every seller wants the most money they can get for their home, and realtors know this. **If several realtors are competing for the listing, an easy way to win the job is to offer to list the home for more than it is worth. Unfortunately, this is done far too often and many homes are priced 10-20% over their true value.**

This is not in the seller's best interest, because the market is seldom fooled. Over-pricing a home will cause the property to languish on the market for months or years, causing the seller to chase the market downward. This strategy relies on buyers who have not done their research and unknowingly purchase

the over-priced home. Buyers BEWARE!

Somewhat Over-priced:

Believe it or not, **about 75% of the homes on the market are 5-10% overpriced!** These homes *stay on the market longer than they should for two reasons;*

1. either the seller believes their home is really worth this much, despite what the market has indicated
2. OR the seller has left room in their price for negotiation

Either way, this strategy will cost them unnecessary time, energy, and stress.

Countering back and forth between you and seller can be exhausting, and you never know whether the person at the other end of the negotiation is about to give in or give up!

You could spend weeks negotiating on a home only to lose it

Meanwhile, the perfect home may have been listed and sold while you were negotiating with an unrealistic seller.

The best advice is to review the numbers, make an offer, and determine from the seller's initial response whether or not they

are realistic. If not, move on!

Priced Correctly at Market Value:

Logical sellers understand that real estate is subject to the law of supply and demand. These sellers price their homes at a realistic value based on a thorough analysis of other homes that have sold, are under contract, or currently available for sale. These competitively priced homes usually sell in a reasonable time and very close to the asking price. This is the perfect situation for you, especially first-time buyers, because the emotional stress and bantering are not necessary.

By the time most buyers have viewed a few homes, they have a pretty good understanding of value. To ensure that you don't become emotionally attached to an over-priced home, preview those that seem to be priced competitively before looking at those that seem to be over-priced.

Priced Below Fair Market Value:

Some sellers are very motivated and have compelling reasons to sell quickly. Whatever is driving the need to sell is usually more important than getting a high price for their home. Significantly under-pricing a home can attract multiple offers in a matter of hours, and the home will usually sell very quickly.

Often times a "bidding war" ensues

between interested buyers. The seller may ask for the “highest and best” offer from each of the interested parties. Since you have no idea how much the other buyers will offer, it is hard to decide how much to offer.

In situations like this, it is very important to have a realtor® who knows the market, can guide you on how much to offer, and keep you from over-paying like many buyers do at auctions. Although it is emotionally difficult, make your best educated offer and hope for the best.

Paying too much can turn your dream home into a nightmare. Utilizing the services of an experienced buyer’s agent can keep you from overpaying for a home, losing the home you want to another buyer, or worse yet, buying the wrong home for your needs.

Take the time to find a qualified realtor® who is honest, ethical, and knows the market where you want to live. This will help take the fear out of the equation so that you can make an educated purchase on a great home. Shopping for a home can be exhilarating when you have a professional realtor® to guide you through the home-buying process.

4 Now the Fun Begins!

Looking at homes is by far the favorite part for the buyers. Even realtors love this part of home buying. There is a level of excitement present. But the excitement can turn into dread if you don't keep a few things in mind.

Only you can decide on the type of home and location for the home you wish to purchase. Are you looking for a home with character? Or does it have to be a new build?

The more specific you are, the better chance for a successful home tour. There are several options to consider:

- Condo
- Townhouse
- An attached or detached home
- Do you have parking requirements, such as a garage that is underground or heated?
- What about location? Do you want to live in a city? If so, what area of that city?
- What forms of transportation do you anticipate needing?

Having a written and itemized list can relieve some of the stress involved with the purchase. Additionally, you must recognize the level of compromise that can be endured. For example, you could build a “wish list” that is categorized, such as:

- “A” absolutely must have
- “B” nice to have, but not necessary
- “C” this would be a bonus

Ideally, you should write down specific features that you want in a home. Including:

- The number and location of bedrooms and baths
- Whether basement or slab
- Geographic area or school district
- Neighborhood amenities
- Lot size, subdivision, age, style
- Interior and exterior features
- Construction type
- Condition (fixer-upper or move-in ready). Does it need repairs, updating,

or cosmetic changes?

- Consider travel distance to work, schools, places of worship, shopping, medical facilities, family members and/or friends, recreation

Time to work with a Realtor®

In the last chapter, I talked about how hiring a professional, experienced realtor® can save you time AND money. The more you and your realtor® work as a team, the greater the chance you'll end up with the home of your dreams. Here are some more tips to keep in mind to keep the process quick and fun:

- **Be up-front** with your realtor®. First, let them know if you want to see a dozen homes in a day, or just a few per day
- **Establish your ideal time frame for moving.** Just as a buyer does not want to be rushed into a home, a seller does not want to be rushed out
- Let your realtor® know **when it is most convenient to view homes:** it may be necessary to schedule showings a few days in advance
- An experienced realtor® can set you up **online with their VIP Buyer Profile System.** This helps match your needs and criteria with new listings as they appear. As you become more comfortable with the system, you may find your expectations change. Homeowners also like to use websites. Do your own research on sites like

Zillow.com and Trulia.com. While those sites have value, they may not have the most current listings. Agents have to pay to have them listed and may not have done it - which is why using my VIP system is ALWAYS a better search option

- **Driving by homes prior** to going out with your realtor® will help get you familiar with the neighborhoods and if you like the outside of that particular home. Pictures can be deceiving, and it save everyone time if you can eliminate certain homes that don't have curb appeal
- Once inside the home, it is important to be as objective as possible. **Bring a notepad along to list the “pros” and “cons” associated with each home.** This will help you if you decide to make an offer. You could also write your notes on the back of the listing sheet your realtor® will provide to you
- **Take pictures** if you're seeing many homes. A picture is worth a thousand words and after seeing a lot of homes, having a picture or several pictures of each home will help

Knowing the Up-Front Costs

Once the right house has been found, you need to be aware of a couple pre-closing expenses.

1. **The earnest money deposit: Also called a “good faith deposit.”** This money is held in escrow until closing. Assuming all other contingencies in the purchase contract are satisfied, the earnest money will be applied toward the amount the buyer brings to closing.

Since a contract to purchase a home is a legal and binding document, failure to follow through with the purchase may result in the forfeiture of your earnest money deposit. While the amount of this deposit varies by region and value of the home being purchased, it can be thousands of dollars.

2. **The home inspection.** Most home, pest, well and septic inspectors require payment on the day of the inspection. While a prospective buyer may not be required to perform these inspections, it is highly recommended. A good realtor® should make their clients aware of these fees and any other costs that are common in their area.
3. **Possible Attorney Fees.** If you live in a state that requires closing attorneys, you should hire an attorney when the right house is found and you’ve written a contract. Lawyers have a variety of specialties, and it is a good idea to hire an experienced attorney

who specializes in real estate.

A good realtor® will know of an attorney they have worked with in the past. The attorneys are responsible for approving or disapproving the contract, preparing the title, and organizing all the necessary paperwork to be signed by the buyers at closing. If a potentially expensive issue is discovered during inspections, it is the attorney's job to negotiate with the seller's attorney to cover those costs, either as a credit at closing or a renegotiation of the sales price.

In the event the buyer has a legitimate reason to back out of the deal, the attorney will negotiate the release of the earnest money deposit for the buyers. Proper attorney selection is vital to help ensure a smooth transaction.

Ok, you've written out your house criteria, gotten pre-qualified for a loan, selected a realtor®, and begun to look at homes.

Technology these days is your house hunting friend. In the next chapter I'm going to tell you about some sites and apps you might want to use to your advantage.

5 Technology For Home Hunters

Technology has added a new and exciting element to the home buying experience. These advancements have removed many of the old constraints on home hunting. It is now easier than ever to find and evaluate real estate using smart phones and tablets.

As traditional media like newspapers and magazines become less effective, Internet-based marketing has driven the development of new applications for mobile devices. Using technology...

- Video tours of homes are available on YouTube

- See pictures of the outside and inside of the homes you're interested in
- You can research real estate trends
- With Google Earth and Google Maps, you can drive down the street and look at the surrounding homes without leaving your living room
- Instantly obtain detailed information about homes for sale

According to recent industry figures, it takes an average of 12 weeks and visits to 16 houses before home shoppers find the house they want

The way people search for and buy a home is rapidly evolving. With an ever-growing list of new tools that save time and increase efficiency, buyers and agents can quickly trade information with the click of a button.

There's An App for That!

There are now more people who own a cell phone than those who own a computer.

Mobile devices are more than a cool novelty; they are making a fundamental shift in how we communicate.

Smart phone applications (commonly referred to as "apps") enable realtors to update home listings,

prices, and even share neighborhood information about schools, parks, medical facilities, and recreation.

One of the more revolutionary features in property apps is their ability to detect location by using either GPS technology or a system that determines position relative to WiFi hotspots.

You can access information about your immediate surroundings in real time - while you are there - without having to find a computer, set up a laptop, or even type out an address or zip code.

With this technology, you are able to study more than just the MLS data. The process of buying a home goes well beyond the basics of searching for the perfect one, getting a mortgage, and handling the logistics of moving. It also involves some of the most basic decisions in people's lives.

After all, it's not just real estate that you are acquiring- it's a place to live.

The choice you make won't just determine where you live. It's where you shop, where your kids will go to school, how long your commute to work will be, and a myriad of other factors that will add to or detract from your quality of life.

Today there are many popular apps, available as free downloads, that can help sort out some of these intangible aspects. Here are a few to check out:

Walk Score - this site helps find "walkable" places to live by displaying a map of what's nearby

(schools, groceries, entertainment, etc.) and provides a score for any address to help determine how “car-dependent” a resident would be if they bought a home in that area. Go to www.walkscore.com.

Green Space Map - It used to take a lot of time and research to find information about how close a property may be located to a known EPA site. But now that information is available in just moments, plotted on an interactive map. The Green Space Map app provides you with immediate answers about incidents or problems as reported by the Environmental Protection Agency by showing a property’s proximity to reported sites within a 20-mile radius.

Crime Reports - Another factor that heavily influences a buying decision is neighborhood safety. An app called Crime Reports arms you with crime statistics and provides a national crime map that pinpoints a location using GPS technology. You can see crime data and sex offender addresses plotted on the map for any property you might consider buying.

Criminal Spot - A virtual version of traditional neighborhood watch programs that is an interactive platform where users update the information. If someone sees suspicious activity in an area, they can report it on Criminal Spot.

Social Media That Matters

If Social media is all about connecting people,

then how it's used for home hunting is like a virtual version of old-fashioned "word-of-mouth." By leveraging the millions of connections between people, sites like Facebook and Twitter provide lightning fast dissemination of new listings, trends, and information.

Facebook – Currently there are more than 500 million active users on Facebook, and the average user has 130 friends. If Facebook were a country, it would be the third largest in the world with more people than the United States, Canada, and Great Britain combined. YouTube is the world's second largest search engine, and Twitter has 200 million users.

These sites and other social media sites include search engines so you can search other members for information that could be helpful to you.

Type "homes for sale" or "real estate agent" into the search field in Facebook, and dozens of hits will come up, each with a list of people who have 'liked' it. These lists can be pure gold for you; they include lists of people to connect with who may have a home for sale, recommendations for a good real estate broker, and useful information that could impact their decision to buy in a specific region or neighborhood.

Facebook even has its own marketplace to buy and sell almost anything imaginable, including real estate. The Marketplace application page displays the most recent listings and provides

easy ways to filter the search to tailor results to individual needs. It's easy to browse real estate by several different categories, and search for listings from all Marketplace users or by people in a particular social network. It's not hard to see the power of social media, or the burst of speed it can bring to the real estate market.

Foursquare - The line between online games and serious applications is blurring, and Foursquare is at the forefront of social media tools that are integrated with GPS technology. It's a fun location-based app that has over 6 million users worldwide and enables you to find a map of open houses and listings, and even see what else is nearby a property they're currently visiting. You can also "check in" at various homes you visit, earn "badges" and post comments for other visitors and feedback for sellers. Foursquare currently has apps for iPhone, Android, Blackberry and Palm phones, and more are being developed. Go to <http://foursquare.com>.

QR Codes



*Try scanning
the code to
the left and
see where it
takes you.*

These 2D bar codes are popping up everywhere from retail stores, to airline boarding passes, to real estate. The “QR” stands for Quick Response and they create a bridge between the virtual world and reality.

In real estate, they’re found on lawn signs, in print media, websites, billboards, and business cards. To read them, download a QR reader on your mobile phone. Scanning the code gives you information about a particular property, a brochure with color photos, and full details about a listing, an open house schedule, a realtor®, or a website with additional information. Not all QR reader apps are compatible with all phones. A quick Internet search will pull up a list of the different QR readers available and the mobile devices they work on.

Texting is Still King

The typical mobile phone user initiates more text messages than phone calls. And 73% of new mobile phone buyers say that text messaging is the most important feature on their phone. It's easy to see why SMS short codes have popped up on real estate signs everywhere.

No longer tied to a laptop computer, you can now turn to your smart phone or tablet for information. For you, this is another innovation that gives instant access to photos, pricing, and flyers containing additional information. Some providers even have a click-through to a Mobile Optimized Virtual Tour. Successful marketing is all about convenience and making it easy for you and sellers to get information on your own terms delivered the way you want it.

Tools, apps, and internet sites are changing all the time, and new ones are created every day. Some things about buying a home will never change, but as technology advances, the way we go about buying them will continue to evolve.

Alright. You've now been armed with technology at your fingertips, but there is still such a thing as setting expectations – both you as the buyer and also from a seller's point of view. I'll talk about that next.

6

Establishing Expectations

Buying a home is a learning experience. The **real estate market can be a volatile environment**, presenting both opportunities and uncertainties that demand knowledge and expert guidance from a variety of professionals in the industry.

When buying a home, you must first take ownership of the buying process before taking ownership of a property. Having enough money for a down payment AND the closing costs are essential.

- An experienced real estate professional may also negotiate to have the seller contribute to the buyer's closing costs. (Happy dance!)

- Some specific government loans, for example, often require the seller to assist you with closing costs. When this arrangement becomes a part of the contract, you will typically pay a slightly higher sales price for the seller to agree to an upfront contribution to their closing costs. In essence, some or all of the closing costs are being “rolled into” the purchase price

Your first buying trip

Matching the inventory of homes with your expectations can go in one of two ways.

- Either the home will overwhelm you (a good experience)
- or underwhelm you (a disappointment) in regards to what you are looking for

This is where the fantasy of the dream home collides with the reality of what is actually for sale.

It’s entirely possible that you working with a skilled realtor® will identify your ideal home within the first few showings

- At the end of the day, expect to spend some time with your realtor® to review the homes you have seen
- It’s a good idea to establish a benchmark by which all other homes are compared, as well as

a second or third choice

- When there are subsequent days of viewing homes, it's always a good plan to go back and see one or two of the favorites from the first excursion. This will keep them fresh in your mind as a good basis of comparison

Weeding Out the Chaff

By now you should have a good feel for what you are looking for:

- The size
- Condition
- And extra features of a home in your price range

Shopping by comparison is a process of elimination – weeding out the chaff. You know what you want. Eliminating the homes that do not fit most (if not all) your criteria is important.

Many potential buyers miss out on a home due to inaction. This stems from having too many homes to choose from.

Once you find the home of your dreams, it's time to make the offer. In the next chapter, we'll go over the do's and don'ts of offers.

7

Making An Offer

You found the perfect home and it's now time to write an offer. Your realtor® will call the listing agent to:

- verify availability
- to determine if there are any other anticipated offers being written on the home
- and to ask general questions about the timing or special circumstances of the seller that need to be factored into the offer

This information is used to determine the approach to pricing. This is a **CRITICAL** part of the process and the reason why going it alone (when buying or selling a home) is not a good idea.

The form that is used to convey the buyer’s request to purchase is generally a state-approved “Purchase and Sale Agreement.”

This is accompanied by several exhibits, including a “Seller’s Property Disclosure” regarding the condition of the systems of the home, structural and/or repair issues, and any other information required to be disclosed by local laws.

The only instance that a disclosure is not part of the agreement is when the property is a bank-owned foreclosure, a pre-foreclosure, or a short sale.

Next, your primary objective (along with your realtor®) is to establish a pricing strategy.

They will provide you with comparable sales statistics, current market fluctuations, and information about the seller’s motivation.

Don’t be fooled by what you hear and see in the media about “deals.” You selected the home because it offered you most of your desired features and benefits at a competitive price. The best advice for you is to establish a final price with the help of your realtor® and begin negotiations with that end in mind.

Don't Insult the Seller

You should understand that the seller is not going to give away his home without a realistic price and agreeable terms. By recognizing this as a mutually acceptable transaction, you will not insult the seller with your offer.

On lender-owned or lender-approved properties, there is generally less negotiating room and more competition. The contract is awarded to the highest bidder with the best terms of purchase.

The Home Inspection

Once the price and terms of sale are agreed upon and signed by all parties, you will hire a professional home inspector to evaluate the property. The full report will identify every item that does not meet the specifications of today's building code, is not in good working order, or constitutes a health or safety concern and is not otherwise grandfathered.

This is an opportunity for you and your real estate professional to review what encompasses a realistic request of repairs for a home that is not new. You can identify a major deficiency, and submit a request to the seller to make necessary repairs. The inspection period is not designed to rebuild the house. When you offer realistic requests, the seller will be more likely to compromise.

Finalizing Negotiations

Negotiations must end in a win/win situation

for all parties. Additionally, if the property is being sold “as is,” this is the time to decide whether to move forward with the sale or to terminate the *Purchase and Sale Agreement*.

The final phase is to finalize the loan process. The lender will request final documentation on your financial status and **hopefully you did not do something—like purchase a new car or boat or any other big ticket item—that would considerably impact your credit**. Though the closing date has been scheduled, there are still a few last-minute details to address.

1. You must **arrange to purchase a home owner’s insurance policy**. The policy can be paid in advance or is frequently added to the HUD Statement to be paid at closing.
2. The decision to purchase or not purchase title insurance should also be addressed at this time. With the volatility of the market and properties changing ownership through nontraditional sales, it is probably more important than ever to fully understand the importance of **purchasing title insurance**.

This will be a line item on the HUD as well. It is important to note that title insurance policies should be held for 20 years following the sale of the property and the home owner is still liable for title discrepancies over those twenty years,

regardless of whether or not you still own the home.

Purchasing a home is part of achieving the American dream. It is an exciting and rewarding opportunity for you when you have the right people guiding and educating you along the way. Understanding what to expect eliminates mistakes and maximizes the investment.

Find a realtor® who is willing to educate you about the market by providing data that helps you make intelligent offers from the start

Keep this final thought in mind:

Homes that are the best value always sell first, so when you find the perfect home, don't wait to make an offer!

Home inspection tips are in the next chapter.



8

Home Inspection Tips

A home inspection, is by definition an examination and assessment of the condition of a home.

Although not required by law, it is strongly recommended to conduct a home inspection. **A home inspector examines the home's condition, evaluating its structure, plumbing, electric, heating and air-conditioning systems.** Home inspectors inform you about what kind of repairs are needed before you buy a home, as well as how to avoid future problems.

Do You Need a Home Inspection? NO... but

it could cost you thousands if you don't.

If you try to save money by refusing to pay for a home inspection, you may be losing money in the long run

A home inspection can uncover potential problems that can, if left untreated, lead to costly repairs. **A buyer should never let the apparent beauty of a home mislead them into thinking that the home may not have significant defects.**

For example, some sellers may advertise that they have a “new roof” when in fact, only the shingles may be new. They may have neglected to inform you that the damaged plywood and old shingles were left underneath the new shingles. The problem is that it could reduce the life expectancy of the roof. This is why mortgage lenders sometimes require an inspection before approving a loan.

When to Get an Inspection

- Without question, an inspection should be done before you close on the purchase and take possession of the home
- There should be a clause in the real-estate contract that makes the sale of the home contingent upon the inspection
- You should be sure to have an

inspection performed in the time-frame specified in the contract

- If the inspection deadline is not met, you waive your right to recover your earnest money if an inspection uncovers major deal-breaking issues

A reasonable time frame would be within a two-week period from acceptance of your offer: which is typically at your expense.

However, you shouldn't wait until you have placed an offer on a house before beginning the search for a home inspector.

If you wait until that point, and cannot find an acceptable inspector to schedule in the required time frame, you will only have two choices: go with an inspector that is not their first choice, or risk running past the deadline for the inspection. (This could void any chance of having the seller take care of repairs.) Neither is an acceptable option!

Are Home Inspections Worth the Cost?

The value and necessity of an extensive home inspection cannot be emphasized enough. **Many home buyers have attempted to save the \$200 – \$500 cost of a good inspection, but have spent enormous amounts of money repairing items that any reputable home inspector would have pointed out.**

Inspections often disclose defects in the property that could materially affect its safety, livability, or resale value. You should not let anyone—

not a realtor®, nor their family or friends, and especially not the home seller—discourage you from having the property thoroughly inspected.

As long as the contract is written with a contingency for an acceptable inspection, any defects in the home must be either repaired, or you may elect to receive monetary compensation to make the repairs. If you are not satisfied, you have the option to cancel the purchase contract.

How to Find the Right Inspector?

Not all home inspectors are equally qualified, and choosing the right inspector is crucial.

You have a myriad of resources available in making this decision.

A good place to start is with a realtor®.

If you choose your realtor® wisely, the realtor® can recommend good, reliable inspectors.

A good tip is to obtain three or four names and addresses of inspectors that the realtors other customers have used, rather than accepting just one recommendation.

- You can also ask friends, family, and co-workers for referrals
- You might also call their mortgage lender or their lawyer for recommendations
- Sometimes, you have a friend or family

member that is qualified to conduct this service and trust them to do it

- It is wise, though, not to have this person as the sole inspector. Instead, they should accompany a professional inspector as an additional resource
- Another option for you is to use a home inspector who is certified by a national home inspection organization. These groups establish professional standards for their members to follow. Inspectors who belong to the organizations listed below have met rigorous testing and experience requirements, and are among the nation's most qualified professionals in this field

Professional Home Inspection organizations include:

- American Society of Home Inspectors (ASHI), www.ashi.org
- National Association of Certified Home Inspectors (NACHI), www.nachi.org
- National Association of Home Inspectors, Inc. (NAHI), www.nahi.org

What to Look for in a Home Inspector

Once you have compiled your top two or three choices, you can move on to phone interviews to make your final decision. It is very important to find

an inspector who communicates well.

Request a sample inspection report first, to ensure that it is easy to read and provides the information you expect. You should look for two key things in reviewing sample inspection reports:

- Does it give the ages of specific systems in the house or just an idea of their current state?
- Does it estimate the cost of repairs and remedies for existing problems?

Many inspectors don't provide written repair quotes but it is important to know the price range of potential repairs.

It is advisable to inquire about the exact methods that the inspector uses:

- Do they actually go on the roof or into the crawl space under the house?
- Some check these areas as a matter of course
- Others charge extra, and still others will not go closer to the roof than standing in the driveway. They will look up at the roof and jot down notes from there
- You need to know exactly what you are getting when you pay for an inspection

Does the inspection company carry any type of liability insurance to cover any damage to the house created by the inspector during his tour, or major defects the home inspector misses? If not, you may want to consider finding a company that does.

How Much Does a Home Inspection Cost?

You shouldn't hire the cheapest inspector you can find. Better inspectors will typically charge more, and they are usually worth the additional cost. If a lower-priced inspector misses even one problem that a more expensive—but experienced—inspector would find, then you've lost money.

Home inspections can range from \$200 to \$500

The price will vary depending on:

- The square footage and age of the property, on possible optional services (such as septic, well, and radon testing)
- The individual inspectors or inspection company's rates. This is a small expense compared to the large investment of purchasing a home

Make sure you have gathered

- any property condition disclosures provided by the seller
- a list of any repairs or improvements done on the home
- and potential warranty information before the inspection

The inspector can use this information as a

reference point to determine if certain tests should be performed at an additional expense, based upon the home maintenance records.

Additional testing for radon, asbestos, well-water contamination, or mold usually costs more than a basic inspection. The home inspector might direct you to someone else for those reports, perhaps to an individual or company that specializes in the inspection of environmental hazards.

Payment is required at the time of service.

You should view this as a cheap insurance policy. Although there may be nothing wrong now, it is for your protection to make this modest investment.

Who Should Attend the Inspection?

You!

As attending the home inspection will allow you to come away with a better understanding of any potential problems. You will learn a lot about the house in the process. **You should be cautious of inspectors and realtors who discourage you from attending the inspection.** Any good inspector will want you to attend. If you are working with a realtor®, then the realtor® should also be present.

It is ideal if you can request that the homeowner not be present during most of the inspection. It

will allow you the freedom to probe and inspect all the details of the home without feeling that you are being invasive of the home-owner's privacy. If the home owner arrives at the end, it can be helpful, as sometimes they can provide information about the home's history to which an inspector would not be privy.

The inspection is typically the last time you are allowed in the home prior to closing, so you should take all the time you need to feel comfortable with this major decision.

It may be advisable to **bring a camera, video camera, measuring tape, and memo board.** Although the inspector will provide a very thorough report, you may have some "non- structural notes" that will be helpful to review later.

You should be observant of items that remain with the home such as window treatments, built-ins, appliances and overall aesthetic condition. You may also observe colors, document door and window locations, and measure rooms to plan for furniture placement.

What to Do During an Inspection

In short, take notes on what the inspector says could be foreseeable problems with the house. The inspector's job is to find defects that a typical layman may not be able to detect. This is not meant to be a pass/fail type of test. Simply put, an inspector is there, as your representative, to make observations

and recommendations based upon the conditions found.

The inspector's job is to bring to light any important problems with the house. With this information, you might still choose to purchase the house, but will have room to negotiate the price. You can say to the owner, "The inspector says the roof is in poor condition. He estimates it is well over eighteen years old and overdue for replacement." Such comments can help lower the price during negotiation.

The time frame will vary depending on the number and type of inspections, as well as the size of the home. An inspection typically takes two to four hours, and covers the following areas:

- Mechanical and safety items
- Structural features (like the foundation)
- Plumbing systems
- Heating, cooling, and ventilation systems
- Major appliances
- Roof
- Electrical
- Attic and the exterior of the home, including driveways and fences

What to Expect After the Inspection

The inspector will compile the findings in a typed report and provide it to whoever commissioned the job (usually you). Most companies will deliver this report to you immediately on site or within a few days. You should provide a copy of the report immediately to your attorney and realtor®.

It is best to keep this report confidential until these representatives have had a chance to decipher the information and advise you on your next move. The seller or seller's agent may request a copy of this report, but it should not be supplied—not at this time. Your attorney (or agent if attorneys are not used) will provide a copy, along with proper notifications to accompany the report of any items found.

How to Negotiate Repairs?

Your realtor® or attorney will negotiate any repairs, cash credits, or advise you to walk away if the home inspection reflects too many problems.

See why it's so important to have a top realtor®?

This determination will be dependent upon independent contractors' or exterminators' estimates to repair the damages highlighted in the report.

The sellers may provide these estimates, and it is advisable to keep them. Your attorney or realtor® will typically offer referrals of reputable contractors to choose from. There may be a time period allowed in the contract to obtain these estimates, usually ranging from 10 to 14 days.

Access to the home will be allowed to you to conduct the evaluation. You and your agent should accompany the contractor to fully understand the scope of the work potentially needed and answer any questions. Items to have present at this time are the contract for sale, the structural inspection report, and any estimates the seller may have provided as a reference to ensure all questionable items are addressed.

All estimates should be in writing and supplied to your attorney and realtor®. Unless the property is being purchased in “as-is” condition, it is common to re-negotiate the contract based upon the repair estimates. It will ultimately be up to you to decide if you want to move forward, and what terms are acceptable should there be a major defect. Laws in each state will vary as to what constitutes a “major defect,” based on a set dollar amount in the purchase and sale contract.

If repairs are done prior to closing, you should get another inspection after the problem has been fixed. Then obtain any receipts, work orders and warranties that may apply. If you opt for a credit, the contract may need to be re-written to reflect these changes. You should discuss the best way to include these concessions with your lender, realtor®, and

attorney. They will advise the best solution that meets your financial needs. All agreements need to be in writing, either by an attorney letter or an executed addendum by all parties.

The goal of this process is to create a win-win atmosphere.

The purchase of a home is an emotional process for both you and seller. It is human nature that no one wants to “lose” a negotiation

In the next chapter, I’m going to talk about buyer mistakes.





9

Avoiding Buyer Mistakes

The purchase and sale of real estate occurs around the United States, North America, and all over the world every single day. Constantly, willing buyers are forming agreements with willing sellers to purchase homes. Considering the sheer number of people buying and selling, it may appear that the process is not overly complicated. But, *in reality, it takes a lot of dedicated people working together, to get someone from interested house hunter to home owner.*

During this process, you will be led down a road that has many possible places to take a “wrong turn.”

In most cases, you will have a realtor® to guide you and keep you on the right road.

The fact is; the better your realtor® is at their job, the better the guidance. A big part of a realtor’s job is to minimize, if not eliminate, mistakes leading to “wrong turns.”

Mistake #1: Purchasing Without an Understanding of Budget

Home sellers do not want to tie up their property with a buyer that isn’t qualified to get a loan or complete the purchase. Until recently, anyone with something resembling a heartbeat could get a home loan. In recent years, however, the real estate market began to experience problems and mortgage lenders have tightened up the standards and qualifications for home buyers to finance their purchases.

Now, in order to get your pre-approval letter, you have to provide bank statements, tax returns and other documents to prove you earn what you claim to earn. While these new restrictions will preclude many from qualifying for pre-approval, the good news is that many will be spared the heartache of losing their homes to foreclosure or a forced short sale.

Most mortgage loan professionals will attempt to pre-approve you for the maximum amount of loan you can afford. This gives you more options in your home search. If you know you

can successfully get a loan to purchase a \$250,000 home, you also have the option of looking at homes anywhere below \$250,000. It depends on the size of monthly payments you can handle.

You should be aware that each lender has approval and underwriting guidelines that are based on several factors. They consider the amount of long-term vs. short-term debt you and your family is managing. They consider length of employment, credit history, credit score, and several other factors.

Unfortunately, while they are making decisions on an individual, your loan qualification is based on guidelines and computer models established for the “average person,” and not a specific buyer.

Based on underwriting guidelines, you may be able to afford a \$250,000 home and easily make the monthly payments. However, at that price, you may find you’re your finances stressed beyond their comfort level. What good is it to buy a wonderful new home if the monthly payment causes economic hardship?

When you get a pre-approval letter, take a moment to review what your monthly payment will be. Do this based on your review of the maximum amount in the pre-approved loan. In determining your monthly payments, you should be careful to consider property taxes, HOA dues (if any), and homeowner’s insurance.

Additionally, you should speak to a qualified tax professional who can factor in deductible interest and property taxes. They can also show you how to decrease your payroll tax withholdings to increase your take-home pay. The bottom line here is you should get some assistance in calculating the approximate total monthly expense of home ownership before you write an offer.

One necessary side note to this relates to the pre-approval letter or document provided by the lender. In many cases, your offer to a seller may be lower than the amount you are approved to purchase. If you are approved to purchase a \$250,000 home, but only offer \$240,000 to the seller, it's not in your best interest to disclose that you are approved for the higher amount. If the seller knows you are already approved for \$250,000, they might be more likely to make a counter-offer for that higher amount.

Once you possess a pre-approval letter, you will know the maximum amount for which you can get a loan. Simply make an educated decision of how much you are willing to pay. Once this is determined, you can begin your house hunting adventure.

Mistake #2: Failing to Get a Home Inspection

On television crime dramas, a violent crime will be sometimes referred to as, “one committed in the heat of passion.”

In real estate purchases, you can get so caught up in the process of finding and negotiating for the right home, you get blinded by “passion.” While there is no violence involved, there is a “crime” in the sense that there could be damages to your financial future.

Whether buying a brand new or re-sale home, a realtor® should be recommending a home inspection. In truth, sometimes sellers forget to disclose things that they may or may not know about the home and its condition.

In most states, home sellers are required by law to disclose known property defects, but the law cannot guarantee that sellers will know all possible defects.

It is best to think of an independent home inspection as the great equalizer that helps uncover defects and ensure you are as informed as possible about the condition of your future dream home.

Typically, home inspections range in price from about \$200 to \$500. This expense at the beginning of the home purchase process could save you tens of thousands of dollars down the road. This

is well worth the relatively modest up-front expense.

Mistake #3: Compromising on Home Features

Ideally, when shopping for a home, you should be thinking about the specific requirements you need or want to find in your dream home. Typically, you might consider size requirements, the number of bedrooms and bathrooms, proximity to work or school, quality of the local school district, and countless other features.

Some real estate markets might make it easier to check off all the “needs” or “wants” on your wish list. Other markets can be more challenging. In a seller’s market (one where there are more buyers than available desirable homes); it may be difficult locating a home that meets your requirements. This is because there is more competition for the same limited supply of homes.

Likewise, in a buyer’s market (one where there are too many available homes for a smaller number of qualified buyers) larger inventory may translate to more choices that meet your criteria.

According to the National Association of Realtors, people will, on average, spend about seven years in a home they purchase. Buyers who compromise on their desired home features could end up living through those

seven years as if they were a prison sentence.

It is important for you to think about these home features in terms of whether they are “needed” or merely “wanted.” If a family of two adults and five children are shopping for a home, having four or five bedrooms may be considered a “need.” Whereas, a couple with no children might “want” an extra room to use as a home office or study – but it isn’t necessarily needed or required by them.

Breaking things down to what is “needed” vs. “wanted” can be helpful when discussing what you can afford. Some of the dozens of topics or features you may want to think about before making an offer might include:

- How many bedrooms, bathrooms, and total square footage are needed? This should be well thought-out and not a spur-of-the-moment decision. Do you plan on starting a family (or adding to it)? Will you need an extra bedroom or bath? If buying with a spouse or significant other, both should make sure they agree on these needs
- Is the home in the right location with easy access to streets, freeways, schools, parks, and local businesses? Is this important to you? If so, you should visit your top areas of choice to ensure that these important needs are met

- How far is the commute to work? Sitting in stop-and-go freeway traffic for an hour each way may not be a problem – but it could be something to consider

In summary, it is critical to make every effort to find a home with as many desired features as possible. At the same time, it is necessary to recognize that there could be limitations based on financial ability, geographic location, and supply and demand.

The bottom line is you should consider all of the factors (both good and bad) and make an educated decision based on those factors before having your agent write a purchase offer.

Mistake #4: Choosing an Inexperienced Sales Agent or Broker

All professionals, whether lawyers, physicians, insurance or real estate agents are generally required to take some education or college coursework. Some require college degrees, post-graduate and continuing education. Most are required to also pass a state-administered examination. But, with the exception of physicians, none are required to have someone supervise them in the field to ensure they know what they are doing after passing a state examination.

In the real estate industry, a licensed salesperson will generally have to hang their license under a broker who is supposed to

“supervise” their activities. In truth, though, most brokers will simply offer training classes with hardly any checks and balances to ensure that the salespersons attend those classes.

There are national real estate organizations that have made great strides to increase educational opportunities. They help reinforce best practices and higher levels of ethics amongst their members. But, just because a realtor® gets their license today and joins an association of other realtors tomorrow – doesn’t mean they are more qualified or knowledgeable than another realtor® who chose not to join. So, what does this mean to you looking for a realtor® to help you find and purchase a new home?

It’s probably not the best idea to use cousin Vinnie who has never written a sales contract to help find the home. Not to mention negotiate the price, and close the deal. An inexperienced realtor® may draft a purchase offer that commits you to pay for items that, by local custom, are normally paid for by the seller. Likewise, an inexperienced realtor® may not know or understand inspection and financing contingencies – which could ultimately cost you the home and/or forfeiture of your earnest money deposit.

You are literally making one of the largest single purchases in your lifetime – why shouldn’t you find the most qualified person available to represent you?

What kind of interview questions should be asked of a prospective realtor® (buyer's representative)? Some recommended questions are:

1. **How many real estate sales have you personally closed over the last 12 months?** (Ask for a printout from the Multiple Listing Service - this should be easy for the agent to provide.)
2. **Is selling real estate your only job?** Part-time real estate agents may not have the time to devote to you or your transaction. What if they work at their non-real estate job from 9AM to 5:30PM and cannot let an appraiser into a home, meet a home inspector, or allow a buyer access for a final walk-through?
3. **Are you currently involved in any litigation over a transaction you were associated with?**
4. **Do you work alone, or are you supported by a team?** Real estate agents who run their business as a team usually out-perform agents who work on their own because teams can generally provide superior customer service to their clients.
5. **Do you offer a “performance guarantee?”** In other words, is the realtor® confident enough in their

negotiation skills and abilities to back up their claims with a monetary penalty (payable to you) if they don't perform? A typical guarantee might be, "I will save you at least \$5,000 on the purchase price of your next home or I will pay you \$1,000."

The bottom line is that with a purchase as large as a home, you should be a discriminating consumer. Ask hard questions.

If the realtor® isn't convincing, doesn't have the right answers, or they just don't feel like they would be a good fit, then move on to the next "applicant."

There are plenty of experienced, competent, and ethical realtors to choose from. Why take a chance using one with no experience? There is just too much at stake to go with an agent that is simply adequate.



10

Finding the Best Deal

One question you should be asking is, “How can I find the best deal when buying a home?” We all want the best deal, whether we are buying real estate or anything else. Why is the term, “sale” used so much in marketing? Because to most people, sale means deal, and a *deal* is exactly what every person is looking for.

Home buyers are no different.

Let’s start with the definition of a deal.

Every individual buyer has a different take on what a deal means, but the term is almost always associated with getting a great price on an item.

So, do you think you got a deal just because

you got a great price? Sometimes a perceived deal on the price is not much of a deal at all!

Let's imagine a couple: Robert and Cynthia. They purchased a home for \$20,000 below its current market value, but the market has fallen at a rate of 5% per month for the past six months. Is this really a deal? It won't take long for the market's negative slide to catch up with that \$20,000 savings.

That same example would also not constitute a deal if they had to put twenty thousand dollars or more into the property in order to make it comparable to the other homes on the market. This is why the term deal has many hidden meanings.

When talking about price, you need to see the whole picture—this is where a good realtor® comes in. A good realtor® can provide a “comparative market analysis” (CMA) on the home to determine the market value of comparable properties in the same neighborhood.

Most people associate a CMA with home sellers, but a CMA can have equal, if not more importance for you. Unfortunately, many realtors don't perform a CMA when working with a buyer.

For example, if a home is priced at \$200,000 and you are interested in this home, many realtors will write an offer without researching the market. Without research, or doing a proper CMA, how are you supposed to know if the home you are buying is a good deal? Unfortunately, this happens all too often, and you can end up offering more than you have to.

Even if you feel that you got a great deal, a little research may indicate that the falling market turned their so-called deal into an over-payment. As illustrated here, a CMA is an absolute must when buying any home.

It is important that a CMA be done properly. Most realtors will only do a surface CMA of the property. They look at the home's basics: square footage, number of bedrooms, and bathrooms. Then, print a list of all homes in the same neighborhood listed for sale and sold in the past six months.

There are other factors needing consideration.

- You need to know whether the sellers paid closing costs on behalf of the buyers. This will better determine the net dollar amount properties are selling for in the area
- Some neighborhoods are very small, or have very little turnover. A radius search of at least one mile in every direction is recommended to find all sales that are comparable to the subject property
- How should these homes compare? In addition to having the same number of bathrooms and bedrooms, the homes should not be more than 15% larger or smaller than the subject property and no more than five years apart in age

A professional realtor® will also obtain the “absorption rate” of the neighborhood and the comparable properties. The absorption rate tells you how quickly or how slowly a market is moving. Although it sounds fancy, the absorption rate is nothing more than the number of homes being sold each month divided by the number of homes available for sale.

For example, if 100 homes are available for sale and only 5 homes sell each month, the absorption rate is 5%. This means there are 20 months of available inventory on the market. This doesn't account for the future inventory likely to hit the market. This is a key piece of information to know if you are a buyer trying to get a good deal.

Taking this a step further, the professional realtor® should provide the success rate of sale of the comparable properties. Basically, this shows every home that has been on the market in the past six months and every property that has sold as well.

For example, if there have been 150 homes on the market for sale—including active properties, properties under contract, those that have expired, and those that have sold— and only 20 of these were sold in the past six months, this would be a successful selling rate of only 13%. This rate will help to determine the price at which a particular home should sell. It will also help you determine a good initial offer to make on the home. All of these factors need to be used in order to determine how much to offer.

So far, the focus has been on determining a

good deal with regard to price. There are many other factors, however, that determine whether or not a home is a good deal. These factors have to do with your personal preferences. Homes may be situated in a specific neighborhood or school district or have amenities that no other home can match.

The importance of these factors will vary from buyer to buyer, and will influence your offer. Overall, though, home buying usually comes down to price, and few homes can offer a better price than foreclosed homes.

Foreclosures

When talking about foreclosures, it is important to understand a few key terms. Put simply, a foreclosure is a home for which the owner has stopped making payments, causing the bank to put it up for auction.

Many in real estate refer to a home as a foreclosure when trying to sell it for a bank or financial institution. This is actually more correctly referred to as an REO property (Real Estate Owned, by the bank).

Why are these homes often the first that are sought out by many buyers? It is simply a perception that these homes are a great deal. Truly, they often are, and every buyer should consider them. Often, they are priced less than other comparable properties in the same area.

The reason for the discount is often times

these properties need some sort of work or updating in order to get them to the standards of other comparable properties. Most of these homes are sold “as-is.” Meaning, the bank will do no work on the property, no matter what is found on an inspection report. Usually there is a monetary reward, or a lower price, on a bank-owned home than what you typically find on any other property available on the market.

Short Sale

Another type of home that represents a good deal to you is the short sale. A short sale home is where the property owner owes more than the home is worth. The property owner may be delinquent in their payments due to a hardship of some type, like a divorce, job loss, death in the family, or any other situation.

The bank will review the owner’s financials in great detail, then weigh the outcome of accepting an offer “short” of what is owed versus foreclosing on the home owner and selling the home as an REO property. Banks may be willing to accept less than is owed because of the tremendous cost of securing, marketing, preserving, and selling the REO property.

Often, short sales can represent an even better deal to the buyer than REO properties because many of the extra costs incurred by the bank on an REO property are avoided with a short sale. Typically, the owner is still living in the property and maintaining it so the bank doesn’t have to.

Still, the extensive report and financial

calculations by the banks and their loss mitigators are not without drawbacks. The biggest drawback is the overall time it takes to complete these sales. If you are in no hurry to move into the home, or to even get an answer on your offer in a reasonable period of time, then the short sale can be the perfect option.

How Long Will It Take?

It typically takes anywhere from two months to as many as eight months to even get an answer on whether the buyer's offer is acceptable. The other big drawback is that like REO properties, the buyer must purchase the home as-is.

In both the case of the short sale and the REO, it is imperative for the realtor® to do their homework on repair issues, and other costs that could tip the scales on whether or not the purchase is a great deal for their client.

Are There Other Resources?

Other sources for finding great deals are readily available to anybody with an Internet connection. The MLS (Multiple Listing Service) or affiliated websites like Realtor.com provide every listing available for sale in the local MLS where sellers have hired a realtor®. Often, this includes all short sales, REOs, distress sales, investor sales, and many other types of properties that can represent a good deal for you.

Off-market Inventory

One market segment that is often overlooked by many buyers and their realtors is off-market inventory. Off-market inventory is often referred to by realtors as expired, canceled or withdrawn listings. In other words, these sellers were trying to sell their home, but for some reason, the home did not sell.

Your mindset in looking for these types of properties has to be one of catching these people in a vulnerable state. Most likely, they have been on the market for a minimum of four to six months. Within that time frame, they've had many strangers disturbing their normal routine and walking through their home and looking through their things.

These off-market sellers are frustrated that no one has decided to purchase their home. In most cases, a savvy realtor® can pull up all the details on these properties and send them to you. They can also gather contact information for these sellers and set up a private showing with you.

This benefits you when looking for a deal because the seller will probably be more willing to negotiate a lower price on the home: It is a one-on-one situation. You solve their problem, and they will no longer have anyone else walking through their home.

In this situation, the seller can afford to sell their home for less than it was previously listed because they now only have to pay the realtor® representing you. Due to this savings, they are

usually willing to cut their price considerably, and you inherit the savings that were once reserved for paying commission.

No matter how the house is found, whether a foreclosure, REO, short sale, off-market home, traditional seller, or any other type of home, the key component to make everything work effectively for you is a top notch realtor® working on your behalf.

The difference in working with an average realtor® and an exceptional one can be the difference in getting a good deal or no deal. Often, if you choose to work with an average realtor®, you will not get as good of a deal as you would if you had chosen a better one.

In the next chapter I'm going to go into more depth on buying Foreclosure homes.





11

Buying A Foreclosed Home

Buying a foreclosed home can be a great way to get a great deal on a home. In some instances, you can save tens of thousands of dollars.

Known in the real estate world as a “Real Estate Owned,” REO properties are unlike any other type of purchase.

First of all, it is important to understand who the players are. Often that is hard to determine. It is also important to understand that in the past, many mortgages were placed in a pool of loans, packaged

into security instruments, and sold to various investors.

Because of this, the mortgage on a home may be owned by multiple individuals or principles. It is possible that none of the parties know each other—they could even be in different countries. This can be one reason for long delays in getting offers approved and getting the final details completed on closing documents.

In traditional real estate, you would simply look at different homes and upon finding the right one, use a realtor® to complete the transaction. However, when hunting for a good deal on an REO property, it is very important to find a realtor® who is experienced in working specifically with the REO purchasing process. These properties represent a highly specialized industry.

How REO's Work

In the past, most realtors specializing in REO simply worked with the *seller* of the property. The buyer would use any realtor® to make the purchase. But now, many well known REO agencies have created specialized departments to assist buyers. These agents may have some access to the REO department where they can get insider information on the owners of the REO property.

If you have a friend or relative in the real estate business, make sure they have REO buying experience. If not, have them give a referral to a realtor® who does. You will get a great deal and a

knowledgeable realtor®, and your friend or relative will get a referral fee for passing the name along to a capable realtor®.

Almost all sellers of REO properties require pre-approval when a loan is required to complete the purchase. Additionally, the seller may have specific lenders with whom you must qualify. This gives the seller assurance that you are qualified to make the purchase and that this qualification has been provided by a source they deem to be reliable.

For you, there is no risk that having your credit score pulled multiple times will hurt your credit score—this rule, which applies to home buying, was established specifically to prevent predatory lending. While you may feel justified in complaining about this process, you should be assured that it is not an unreasonable request.

Chances are, the seller will be taking a significant loss on the property. The more time that passes, the more money they can lose on the property.

As a result, the seller needs to know that you can qualify for a loan to pay for the home. There is really no reason for you to resist pre-approval with the seller's pre-determined lender. This practice makes the entire process easier for all parties. Your refusal could result in a refusal from the seller to sell the home to you - the uncooperative buyer.

Always Do Your Research

Always do your due diligence up front. REO homes are sold as-is, meaning that the seller is not required to perform any repairs on the property. As such, this burden falls on you. Fortunately, most state purchase agreements allow a specified time frame in which to perform inspections.

Make sure you conduct your investigation work prior to placing an offer. By doing this investigation up front, and hopefully shortening the purchase agreements time frame for inspections, you can state, in the contract, that you have inspected the property thoroughly and do not anticipate requesting any repairs. In effect, you are informing the seller that the condition of the property is already considered in the offering price.

Closing on the Property

The escrow closing date is when you take possession and ownership of the property. When dealing with foreclosed homes, the closing date may not always occur on the exact date of the original agreement.

The bank seller expects the closing to fall on the agreed-upon date, and if you are unable to close on time, you may be required to pay a penalty to the seller for extending the closing. If however, the delay is not your fault, no penalty is charged to you, but the seller does not pay a penalty, either.

Why Asset Managers

Asset managers garner much of their compensation for closing a certain number of transactions each month. This bonus system makes up a good part of their overall compensation package, so they are sensitive to getting a certain number of transactions closed in a month.

Most asset managers will not allow the loss of a bonus to affect the outcome of the transaction. However, if all things are equal on the initial offer, and your closing date allows the asset manager to receive a bonus for that month, you stand a much better chance of having your offer selected.

The asset manager may be handling as many as three or four hundred files at a time. Each one can be in different areas of the country with different local customs and ordinances. In spite of these potential sources of delay, you should remain patient and flexible. Remember, the seller of a foreclosed home is taking a substantial loss, and you are probably getting a very, very good deal.

The massive savings represented in the purchase of a foreclosed home should more than compensate for the aforementioned inconveniences.

Know Your Local Market

It is prudent to learn about the local real-estate market and confirm that your realtor® has a good understanding of the market. In all markets, there are many publicly available statistics that can tell you how much a home is worth and the amount

you should offer to purchase it.

Here are two statistics to include:

1. The number of days it typically takes for a home to sell in the local market
2. The average ratio between sale price and asking price

These statistics can tell you:

1. How many homes are selling each month
2. How many homes are entering the market each month
3. How these numbers can be filtered to show only specific locations and property types

This is important information for you, and it is data that a good realtor® will know and make available. If the realtor® cannot supply such data, you should look for a new realtor®.

Once You Find a New Home

When you've found the right home and are ready to write an offer, ask your realtor® to contact the listing agent to determine whether other offers have already been made on the property and if more offers are expected.

The realtor® should inquire about what you can add to their offer to make it more attractive to the asset manager. Here are a few ways to improve your

chances of getting the offer:

- Earnest money
- Closing dates
- Title companies
- Be pre-approved with the specific lender the seller has requested. This allows the seller an opportunity to recoup some of their loss by having their own company provide the new loan

Again, this is often the area of biggest complaint for you. However, it doesn't change the fact that if you are serious about purchasing the home, you should comply with the wishes of the seller. Don't just comply with these wishes, but go above and beyond them by seeking a full-blown loan qualification. This can provide additional information to the seller which will make your offer stand out from the others.

The Offering Price

When you have received pre-approval or better yet, a full-blown approval, it is time to determine the offering price by comparing the property being sold to anything else on the market. With these steps taken, you should then aim for a closing date in about thirty days. If you are willing to paying cash, there will be no need for loan approval. You will only need proof that you possess the available funds to complete the transaction.

For example, if you are writing an offer on the third day of the month, you could set the closing date to the twenty-fifth day of the month. Such a time

frame would still leave plenty of room for inspections. This makes the closing date soon enough to give the asset manager a chance at a bonus. Typically, closing dates that fall at the very end of the month are susceptible to problems, so they should be avoided.

Knowing the Net

For you, it is important that you understand what net means to the seller. The seller will be looking at how much money they have after expenses, repairs, allowances, closing costs, etc. have been paid. If you need closing cost assistance, you should never request more than the absolute minimum needed for the lender to complete the transaction. And you should only make this request if you are already putting down an amount equal to a loan-to-value benchmark.

For example, if you can only afford to put down 20% on a \$200,000 sale and the closing costs are anticipated to run around \$5,000, ask for \$5,000 toward closing cost assistance.

But, if you can afford a higher down payment, such as \$60,000 on a \$200,000 sale, then it would be wise to lower the down payment (to \$55,000, for example). Then pay the closing costs out of pocket while reducing the offer price to \$195,000. If you are able to pay your own closing costs, this will make the seller happy and, in most cases, is making a smart financial decision for themselves.

Making Your Offer

Your goal is to simply take the path of least resistance and use the closing company or attorney the seller has selected. Limit the inspection period as much as possible and understand what as-is means by obtaining the property as it sits today. So if you are serious about getting your offer accepted, inform the seller you are aware of any problems with the property.

You should be making your offer with any such issues already taken into consideration and should not ask the seller for any repairs or allowances for repairs. Understand that the seller has no information on the home and will not sign any disclosures.

Make sure to ask your realtor® to explain the types of things that would be disclosed if the seller were making a disclosure. Then conduct your own investigation on any items of importance. Typically, there is a standard form that you can review to learn about the items normally disclosed by a seller.

If the minimum earnest money is \$1,000 and you can put down \$10,000, make the earnest money a more substantial amount. Remember, it's called "earnest" money and from the perspective of the seller, a larger amount certainly seems more "earnest."

Be certain that all parties understand and agree to the contract timeline and know when the earnest money will no longer be refundable. If

you miss the inspection period deadline or the closing date, don't expect to get your earnest money back.

Remember, the higher the selling price, the higher the earnest money should be

The Closing

After the price and closing date have been selected and the seller's preferred lender has issued an approval, ***you should fully intend on using that lender as well as the seller's preferred title company.***

Although you can choose another lender and title company, in most cases, the title insurance has already been purchased by the seller and the "seller-preferred" lender may offer attractive perks to secure their business. Since there are only a few writers of title insurance policies, it makes little difference which title company that might be.

To summarize, your best strategies are:

- **Make a good and well-informed offer up front with reference to earnest money and inspection timeline**
- Don't request excessive sums of money for closing costs

- **Shoot for a realistic closing date that offers the asset manager the best chance at receiving a bonus**
- Have a firm understanding of what “as-is” means by fully taking into account the present condition of the home and absorbing that into the offer price
- **Allow for a serious earnest money deposit, keep inspection periods at a minimum, and be mindful of the “net” amount the seller will receive**
- Above all, remember that you should be getting a very good bargain on the home. Be flexible, but also diligent





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Buying a For Sale By Owner

The main reason a home owner tries to sell a home themselves is because they want to avoid paying a commission.

The main reason that a person would want to buy directly from an owner instead of using a realtor® is because they want to save the commission.

Do you see the dilemma?

Both parties want to save the commission but

there is only one commission to save.

There is a misconception that homes are cheaper if you buy directly from the owner because you don't have to pay a commission.

The reality is a home is worth what it is worth in any given market regardless of whether there is a realtor® involved. A real estate commission is the cost of doing business if a realtor® is involved. Let's take an in-depth look at both options:

Option A: Buying a Home Directly From the Owner

First off, you will be working directly with the seller. This can be good but can also be bad. The good part is that the seller will likely have a very thorough knowledge of the home.

The bad part is you will have to negotiate directly with the seller and neither of you are good at it.

This is not an easy thing to do.

Buying or selling a home is a very emotional experience for both parties. Experience has shown that deals often fall apart because emotions get in the way.

You may feel that you will get a better deal because there is not a realtor® involved.

Remember, both parties want to save the

real estate commission but there is only one commission to save.

The only person that will save a commission is the seller because that is the fee they would pay if a realtor® were to sell it for them. So no matter how much you pay for a home purchased directly from the seller you will not save the real estate commission. It can only be the seller who saves the commission.

You should be aware that your legal costs will be higher working directly with the seller because the real estate attorney or title company will have more work to do.

Without a realtor® being involved, they will have to do the leg work that the real estate agent would have done for you.

Option B: Working With a Realtor®

The realtor® will represent you as a buyer's agent. Their fiduciary responsibility is three-fold:

- 1) Help you secure the home of your dreams**
- 2) Help to negotiate the lowest purchase price possible**
- 3) Help you navigate around potential buyers minefields**

Your realtor® will keep you up to date with the latest properties that match your home buying criteria.

Instead of trying to sift through hundreds of homes, you only review the homes that have the amenities you are looking for.

In most markets these new listings will be sent to you within an hour of coming on the Multiple Listing Service (MLS).

A buyer's agent working for you will write the offer and ensure that the paperwork is complete, correct, and delivered to the appropriate parties such as your attorney, lender, and title company to name a few.

All this will be done in a timely fashion because an experienced agent does it several times a month.

Ask an attorney or a title company whether they would prefer a purchase offer negotiated between a buyer and For Sale by Owner seller or a purchase offer negotiated between a buyer and seller with at least one real estate agent involved.

The majority will tell you that they would prefer having a realtor® involved because transactions go more smoothly and close on time when an experienced realtor® is involved.

A realtor® working for you will help you find a home, negotiate on your behalf, write the offer, and

handle all of the paperwork required by the Title Company or attorney. Buyer's agents are paid by the listing agent from the proceeds of the sale and all of these services don't cost you a thing!

In closing, I will share another advantage of using a realtor® to help you purchase the home of your dreams.

We were recently working with a buyer who found a home that they absolutely loved. We were able to negotiate \$30,000 dollars off the purchase price for them.

Over the life of a 30-year loan these homeowners are going to save approximately \$60,000 dollars in payments.

That is some serious money!

Let's say a buyer's agent only saved you \$10,000 dollars. That would be approximately \$20,000 dollars over the life of the loan. When negotiating on a home, it makes sense to hire a professional, especially if someone else is paying the bill!



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From Contract to Closing

The closing table is where both the excitement and intimidation come together.

A lot had to be accomplished prior to you sitting at the closing table. Reaching this phase means:

- all inspections have been completed
- the application for a mortgage has been accepted
- and the title has come back clear of defects

Once the lengthy stacks of documents are signed and the sale is recorded, excitement wipes away all the intimidation. It's time to take your keys and move into your dream home.

When buying a home, you want to look at the entire process from an eagle's point of view: seeing the whole picture. In buying a home, this means you look at the entire process – from beginning to end. Whether you're a first-time buyer or an experienced buyer, a home will represent the largest purchase of your lives.

It is important that you have an understanding of the process.

With knowledge comes power.

And this power makes the home-buying experience enjoyable and exciting.

Knowing your budget and price range helps make the process go smoothly. To get pre-approval, buyers can either:

- 1) Use a mortgage *broker* who uses various lending institutions to find the best rate and mortgage plan
- 2) Use a bank with which you may already have an existing relationship. Banks typically offer only their own loan programs

Costs to buying a home will depend on your state requirements, but typical costs include:

- a) **Lawyer's fees.** Leave room for them

in a budget to prevent any unwelcome surprises. A lawyer will charge a base fee for their services and then add extras, called disbursement fees, onto the base fee.

- b) **Disbursement fees** can vary depending on the number of costs incurred and the type of property being purchased, such as a condominium or a home. Examples include Estoppel certificates for condominiums, the Real Property Report for homes, and others such as mortgage registration, couriers, and more.
- c) **Moving expenses.** Will you be moving everything yourself, renting a truck, or hiring a moving company? These costs can add up. And don't forget to set up utilities such as cable, internet, electricity, heating, and water. Some utilities may require a deposit.
- d) **Property taxes** can be set up to be paid monthly or yearly, and the property owner will make pro-rated payments each month. In many cases taxes and insurance will be included in your monthly mortgage payment.
- e) **Repair costs.** Put money aside if you are buying a "fixer-upper" requiring work.

If you budget for these costs then you are less likely to be surprised at the closing table. Now that you know how much you can afford, it's time to speak to a realtor®.

Most homeowners plan to live in their home for a number of years. So understanding the long-term payment process is important. The old adage of real estate – “buy low, sell high” - is a reasonable goal if you can minimize real estate fees, closing costs, and the purchase price.

When that dream home is finally found, it's time for you to submit an offer. If possible, you should see if your realtor® can find out why the property is being sold. This can be a slippery slope (due to the Privacy Act). Keep in mind the seller is under no obligation to disclose this information. However, if the seller shares this information, it can help you determine your initial offering price.

Once you find a house to make an initial offer on, take the time to look at the other homes in the area similar in size and quality.

Your initial offer should be a strategic move.

One way to do this is by determining your maximum purchase price and then work backwards.

The negotiation process can be very emotional for both for you and the seller, which makes your realtor® a helpful guide.

When you receive a counter offer, you must determine if that counter offer fits your price expectations.

A key point: with reasonable interest rates, a price difference of \$5,000 might only represent a \$20 difference in the monthly payment—a minimal expense considering your goal will be to increase the value of the property over the long term

When making an offer, you will require that certain conditions are met before the contract you submit becomes a firm deal. While your concerns should be satisfied, it is important that they not include too many conditions, as this could negatively affect negotiations.

The two most common conditions are home inspection and financing.

Home Inspection - When hiring a home inspector, you should make sure that they are knowledgeable. Ideally, the home inspector will be known to your realtor®.

Their rate will vary depending on the size of the property and its amenities.

Buyers typically choose one of three options:

- a standard home inspection to identify potential structural or mechanical problems
- a negotiated flat fee dollar amount
- or 1% of the purchase price

The last two options take into account the extra work to inspect additional amenities.

Unless the property is brand new, you

should expect that the home will need some work, and avoid trying to “nickel and dime” the seller. In all likelihood, the purchase price will already take the condition of the property into account.

A home inspector provides a general overview of the home’s condition.

They assess both its interior and exterior while checking the functionality of all its mechanical systems such as the:

- plumbing
- heating
- electrical

The inspector will complete a report for you to review and will make note of any problems they find.

If there are severe problems, then you should negotiate with the seller to hire a professional to fix them. **If there are no severe problems, but only minor maintenance issues, then you should opt to correct them after the sale rather than bringing them into the negotiation process.**

Financing - The home has been inspected, and it’s time to request financing. As mentioned earlier, getting pre-approval is helpful in determining how much you can afford. Once everything has been approved, the bank may arrange to send an appraiser to the property. As the appraisal is completed and approved, the lender will notify you.

Special Consideration When Buying a Condo

Another condition you may need to meet if

purchasing a condo is a review of the condominium documents. These documents include the by-laws, budgets, financials, minutes, and reserve fund study reports. The documents are usually produced by a condo management company to ensure that the condo is in good shape and that no special assessments or budget increases are expected. This helps you become aware of any upcoming issues and make an informed decision.

Subject To Sale

If you must sell your home before agreeing to buy a new home, you will request a condition called “subject to sale.” This condition allows you to enter into an agreement with the seller while retaining the right to either buy the home as agreed or step aside if another offer is received and your home has not yet sold.

This is referred to as a “*first right of refusal*.” If another offer is received that doesn’t require the sale of your home, you typically have from eight to twenty-four hours to make a decision. You can remove the condition and move forward with the sale without selling your home or walk away from the property.

This condition is rarely used.

Sellers do not like it because the pending offer tends to keep new potential buyers who don’t need to sell a home from viewing their property.

Possession Date

You must decide what date works for you and how that date will affect the cost of closing.

- You want to take into consideration the frequency of your mortgage

payments—whether they are bi-weekly, semi-monthly, or monthly.

- If you have a lot of personal belongings, you may consider trying to close on the home as much as two weeks early to allow extra time to move and minimize stress.

Keeping the Appliances

“Chattel” is known as movable articles of personal property other than buildings or land.

The purchase contract should clearly specify the chattel included or excluded in the sale.

Typically, basic appliances such as a refrigerator, stove, hood fan, dishwasher, etc. are included in the sale. Other items that may also be included are window coverings, garage door openers, and a vacuum system.

Usually, washers and dryers are not included in home sales, but are included in apartment condos and townhomes.

Once you have agreed with the seller on the price and conditions, the ball enters your side of the court—it is up to you to work toward fulfilling the contract conditions. The inspection condition will be met if the home inspection is clear or repairs are negotiated.

With a financing condition, you must provide your lender with the necessary information to obtain approval of your financing. This includes any other conditions requested in the purchase contract. Your realtor® will help guide you in this process.

Taking Possession

Once all conditions have been satisfied, *it's*

finally time for you to take possession of your dream home.

1. For you, this is the **best time to contact your lawyer** or, if you do not have one, use one recommended by your realtor®. An appointment with the lawyer is usually set up a few weeks before you take possession of the home.
2. This is when you **sign all the necessary documents**; including the title transfer and mortgage.
3. When everything is signed, you should inform your realtor®, so they can **schedule a walk-through on the possession date** to ensure that everything is done. This walk-through will show you that the property has remained in the same condition as when it was first seen. Be prepared though – the home may appear stripped-down without furnishings.
4. Once the sellers' lawyer or realtor® notifies your realtor® that all funds (and the mortgage) have been received, the keys are released, and you finally have your dream home.

If you recall, you learned the benefit of looking at home buying from an eagle's point of view. Imagine going through this process without any knowledge of what to expect. Having the right people at your side will make buying a home a more enjoyable experience.



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Let's Work Together

Well, there you have it. You are now much more knowledgeable than 99% of home buyers out there.

Candidly as much as I've told you, though, there are still a thousand more little details to successfully buying a home. You see, it doesn't make a difference that you want to buy a home - if you get any of those little details wrong, it can cost you thousands of dollars.

Having an experienced professional can be the difference in saving thousands and successfully closing on your dream home or buying a home that becomes your worst nightmare.

I look forward to meeting with you in person to talk about your home buying needs. When we meet, I'll give you a copy of:

1. My Buyer's Guarantee.
2. A current seller/buyer's market analysis.
3. A checklist to use to find your ideal home.
4. More details on how to negotiate your best terms and price for your new home.

Give me a call TODAY!

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