

# Buyer Packet

Welcome to your comprehensive guide to navigating the home buying process. In this packet, you'll find answers to frequently asked questions, a step-by-step overview of what to expect, things you should NOT do, and valuable resources to help you achieve your real estate goals.

**KB** by Kevin Bailey

**1** FAQ's

**2** This will most likely happen

**3** Things you should NOT do.



# Frequently Asked Questions

As you embark on your home buying journey, it's natural to have many questions. We've compiled some of the most common FAQs to help provide clarity and guidance. From understanding the mortgage process to navigating negotiations, we're here to ensure you feel informed and empowered throughout every step.

- **What is the first step in the home buying process?** The initial step is to hire a Buyer Representative and enter into an agreement with them. Then, obtain a pre-approval from a local lender to determine the type and loan amount you qualify for.
- **How long does the home buying process take?** The timeline for the home buying process can vary depending on various factors, such as market conditions and individual circumstances. On average, it takes around 30 to 45 days from the time an offer is accepted to the closing date.
- **When and how much should I offer?** The timing and amount of your offer will depend on several factors, including the current market conditions, the property's value, and your budget. It's important to work closely with your real estate agent to determine a competitive offer that aligns with your goals and the market realities.
- **How much earnest money should I put down and what happens to it?** Earnest money is a deposit made by the buyer to demonstrate their intention to purchase the property. The amount of earnest money can vary but is typically around 1% to 3% of the purchase price. If the transaction proceeds smoothly, the earnest money is applied towards the down payment or closing costs. However, if the buyer fails to fulfill certain conditions or breaches the contract, the earnest money may be forfeited.
- **What is the likelihood of competing with multiple offers, and how do we navigate that?** In competitive markets, it's common to encounter multiple offers on desirable properties. To navigate this situation, it's important to work closely with your real estate agent to craft a strong and competitive offer. This may involve offering a higher price, including favorable terms or contingencies, and demonstrating your financial readiness. Your agent will guide you through the negotiation process and help you make informed decisions.
- **Why do I need a reputable local lender?** A reputable local lender is essential because they have in-depth knowledge of the local market and can provide personalized guidance and support throughout the financing process. They understand the specific requirements and nuances of the area, which can be crucial in securing a mortgage and ensuring a smooth transaction.
- **Are there things I should do when viewing homes?** When viewing homes, it's important to be respectful of the property and the current owner. Here are some tips:
  - Wear appropriate footwear.
  - Show up and leave on time.
  - Use the restroom before going.
  - Ask questions about the property, take notes, and have your poker face on.
  - Take pictures or videos for reference later.
  - Don't touch or move personal belongings of the current owner.
  - Don't make highly positive or negative comments about the property.



# What to Expect in the Buying Process

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## Finding the Right Home

The first step in the home buying process is to hire a Buyer Representative and enter into a Buyer/Broker relationship agreement. This ensures that you have a trusted professional on your side throughout the entire transaction. Your agent will work closely with you to identify your must-have features and location preferences, and help you search the market, attend open houses, and narrow down the options until you find the perfect property.

Hiring a Buyer Representative

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2

Obtain a Pre-Approval Letter From a Local Lender

Fill out the Perfect Home Questionnaire or Interview

3

4

View Potential Properties

Create Offer to Purchase

5

6

Negotiate Terms

Accept Offer

7

8

Conduct Inspections and perform Due Dilligence

Fulfill or Waive Contract Contingencies

9

10

Finalize Funding and/or Mortgage

Closing/Funding

11

12

Move in and enjoy your new home

# Financing Options

## Mortgage Pre-Approval

The first step in securing financing is to get pre-approved for a mortgage. This involves meeting with a LOCAL lender to review your credit, income, and assets, and determine the what type of loan and the loan amount that you qualify for. This will give you a clear idea of your buying power and help dial in your home search.

## Mortgage Types

There are various mortgage options available, including conventional loans, FHA loans, VA loans, and jumbo loans. Each type has its own eligibility requirements, down payment, and interest rate. Your real estate agent and lender can help you explore the best fit for your financial situation and goals.



# Budgeting and Cost Considerations

**\$600k**

## Home Price

The median home price in your target market is around \$600,000, which will serve as the basis for your budget.

**0%-30%**

## Down Payment

To secure the best mortgage terms, a down payment of 10% or more is typically recommended.

**\$12-30k**

## Closing Costs

Expect to pay 2-5% of the home's purchase price in closing costs, which can add up to \$100,000 or more.

Establishing a realistic budget is a critical step in the home buying process. In addition to the purchase price, you'll need to consider factors like the down payment, closing costs, and ongoing expenses such as mortgage payments, property taxes, and homeowner's insurance. Your real estate agent and lender can provide guidance on these various costs to help you determine a budget that aligns with your financial goals and capabilities.



# Home Inspection Checklist - Hire a Professional Home Inspector to find safety concerns and look into:

## **Structural Integrity**

Carefully inspect the home's foundation, walls, floors, and roof for any signs of cracks, settling, or structural damage that could compromise the safety and stability of the property. Identify any potential issues that may require repair or further evaluation by a professional.

## **Plumbing and Electrical**

Examine the home's plumbing and electrical systems, including the condition of the pipes, faucets, water heater, and electrical panels. Look for any outdated or malfunctioning components that may need to be upgraded or replaced to ensure the home's functionality and safety.

## **Heating, Ventilation, and Air Conditioning**

Assess the HVAC system, including the age, efficiency, and overall condition of the furnace, air conditioner, and ductwork. Ensure the system is properly ventilated and able to effectively regulate the temperature and air quality throughout the home.

# Negotiating Tips

## Research the Market

Thoroughly research recent sales of comparable homes in the area to understand the current market conditions and pricing trends. This information will empower you to make a competitive yet reasonable offer.

## Leverage Your Agent

Your real estate agent is a valuable asset in the negotiation process. Rely on their expertise and local market knowledge to strategize the best approach, communicate effectively with the seller's agent, and secure the most favorable terms.

## Prioritize Your Needs

Identify your must-have features and the areas where you're willing to be flexible. This will help you negotiate effectively, prioritizing the most important aspects while being open to compromises on less critical items.

## Stay Objective and Patient

Avoid getting emotionally invested in the outcome. Maintain a calm, professional demeanor and be prepared to walk away if the negotiations don't align with your goals. Patience and composure can be powerful negotiating tools.

# Real Estate Fraud and Tips to Avoid It

## 1 Be Aware of Common Real Estate Fraud

There are several common types of real estate fraud that can affect home buyers, such as identity theft, loan fraud, and title fraud.

## 2 Verify Information and Documents

Always verify the information provided by sellers, agents, and lenders. Double-check documents, contracts, and financial details to ensure accuracy.

## 3 Do Your Due Diligence

Research the property, its history, and the surrounding neighborhood. Conduct inspections, review property records, and consult professionals if needed.

## 4 Protect Personal and Financial Information

Be cautious when sharing personal and financial information. Remember your Realtor will never ask for your bank account details!

The **CLOSING** marks the final step in your home-buying journey. During this crucial stage, you'll review and sign any loan paperwork, attend a signing at the title company to officially transfer ownership, and collect any necessary documentation for your records. Your real estate agent, loan officer and escrow agent will guide you through each step, ensuring a smooth and seamless transition into your new home. Typically a buyer signing closing documents will take between 30 and 60 minutes. Make sure you bring your Cashiers Check for your down payment and your Valid ID as you will need it for the notary! You will then need to make sure you transfer the appropriate utilities into your name.



# Moving Checklist



## Plan Ahead

Start planning your move well in advance. Create a detailed timeline and checklist to ensure you don't overlook any important tasks, from booking movers to forwarding your mail. Staying organized from the start will help make the transition to your new home a smooth one.



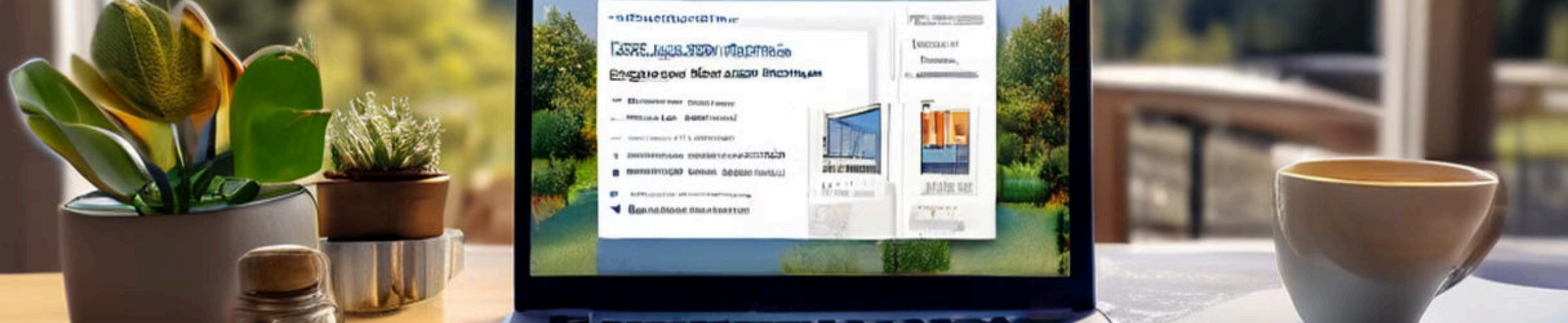
## Declutter and Purge

Moving is the perfect opportunity to declutter and get rid of items you no longer need. Go through your belongings room by room and decide what to keep, donate, or recycle. This will not only make packing easier, but it will also save you time and money on the actual move.



## Unpack and Settle In

Once you've arrived at your new home, take the time to unpack and set up your space. Organize your essentials first, such as kitchen supplies and linens, then work your way through the rest of your belongings. Don't forget to update your address with important contacts and service providers to ensure a seamless transition.



# Additional Resources

- Explore our comprehensive **First-Time Home Buyers Guide** for in-depth information on each step of the home buying process.
- Check out these **Mortgage Calculator** and **Home Affordability** tools to help you determine your budget and financing options.
- Visit our **Blog** for the latest real estate market updates, expert insights, and helpful tips for navigating the home buying journey.
- Connect with our team of experienced **Buyer's Agents** who can provide personalized guidance and support throughout your home search.
- Download our handy **Neighborhood Comparison Worksheet** to evaluate different areas and find the perfect community for your lifestyle.