

A HOMEBUYING GUIDE

UNLOCKING

THE DOOR TO YOUR NEW HOME





NAVIGATING THE HOMEBUYING PROCESS IS COMPLEX—HAVING A DEDICATED REAL ESTATE AGENT ENSURES YOU HAVE EXPERT GUIDANCE EVERY STEP OF THE WAY. IT'S MORE THAN JUST FINDING A HOME.

THE ROLE OF A REAL ESTATE AGENT

HOW I HELP STREAMLINE THE PROCESS FOR YOU AND EARN THE COMMISSION

- 1 I can help you find a lender and any available programs for financing your next home.
- 2 I can help you determine how much you can afford.
- 3 I help you understand current market conditions by providing market analysis/updates.
- 4 I will help you find the right home to purchase. I can set up a customized property search, provide new construction knowledge, and have access to off-market properties.
- 5 I will help coordinate private showings for you.
- 6 I help by determining what comparable homes are selling for, which helps us better negotiate prices (provide property evaluations).
- 7 I can educate you more about neighborhoods and areas (restaurants, parks, public transportation, etc.).
- 8 I will help by writing and submitting offers for the homes you like.
- 9 I help negotiate the price and the terms of the sale.
- 10 I help with Transaction Management including processing all paperwork and keeping a clear line of communication with all parties to the transaction.
- 11 I coordinate inspections, review the report with you and negotiate repairs on your behalf.
- 12 I can help you by providing a preferred contractor list to assist with any repairs.
- 13 I guide you through the lending and escrow process along with coordinating your signing appointment.
- 14 I ensure you receive all the keys, remotes, garage codes etc. available and provide you access to your new home.
- 15 I will always be available to answer your questions and help with your real estate needs even after closing on your new home.

INTRODUCTION TO HOME BUYING

THE PROCESS

We'll navigate this journey together. With my expert guidance, I'll make it quick, easy, and seamless.



01

MEET WITH REALTOR® & DISCUSS NEEDS

Sign exclusive Buyer Brokerage Agreement as required by Arizona Division of Real Estate.



02

GET PRE-APPROVED

If you don't have a lender, I can refer one.



03

SEARCH FOR HOMES

We will find homes that meet your needs and visit them together.



06

ACCEPTED OFFER OPENING ESCROW

You will be under contract and your Earnest Money to be deposited into Escrow



05

NEGOTIATIONS

I will negotiate the offer terms until we reach an agreement.



04

MAKE AN OFFER

Once we find a home you love, I'll prepare and send an offer to the seller.



07

HOME INSPECTION

I will schedule your inspections and if you don't have an inspector, I can refer some.



08

APPRAISAL

Your lender will order an appraisal to ensure the home's value matches the offer.



09

LOAN APPROVAL

You'll work with your lender to finalize all the details of your loan.



12

CLOSING

Collect your Keys!
You now own a home!



11

ESCROW DOCUMENT SIGNING

Sign your loan documents and
Wire your funds to close.



10

FINAL WALK-THROUGH

Usually 1-2 days before closing.



LET'S TALK ABOUT FINANCING & GETTING PRE-APPROVED

WHY IS THIS IMPORTANT?



Clarifies your budget and saves time by focusing your search on affordable properties.



Enhances your credibility with sellers, making you a more attractive buyer.



Can speed up the closing process since much of the financial vetting is done upfront. It will help identify any credit issues early, allowing time for resolution.

WHAT YOU NEED IN ORDER TO GET PRE-APPROVED

- ☐ Most recent pay stubs
- ☐ W-2 or 1099 Forms
- ☐ Tax Returns
- ☐ Bank and retirement account statements
- ☐ If you're self-employed, you may need to provide additional information



DOWN PAYMENTS

A down payment is the initial payment made upfront when buying a home, typically a percentage of the home's price. This payment reduces the amount you need to borrow, influencing your mortgage terms, monthly payments, and long-term interest costs.

HOW MUCH DO YOU HAVE TO PUT DOWN?

Conventional Loans - require a minimum of 5%–20% down.

FHA Loans - require as little as 3.5% down and are more lenient on credit scores.

VA and USDA Loans - offer zero down payment options for eligible veterans, active duty military, and rural home buyers.

OUT-OF-POCKET EXPENSES

As a buyer, you will have some out-of-pocket expenses that you will need to prepare for.

Earnest Money

Typically 1% of the purchase price—goes toward your down payment or closing costs.

Home Inspection

Typically about \$300–\$700.

Appraisal

Typically about \$450–\$650.

Closing Costs

Commonly 2%–5% of the purchase price depending on price.

FINDING THE RIGHT HOME

UNDERSTANDING YOUR NEEDS

These are all the things we consider when we are looking for your next home:

- | | | |
|--|---|---|
| ☐ Location | ☐ Amenities | ☐ HOA vs. No HOA |
| ☐ Commute to and from work | ☐ Features in a home (ex: # of beds and baths, square footage, pool, large backyard, etc.) | ☐ Condition of home |
| ☐ School systems | | ☐ Necessary special features |
| ☐ Advantages of floor plans | | ☐ Price range |

We will look at existing homes, new construction, and off-market properties that meet your needs discussed above.



MAKING AN OFFER

When you've found a home that meets your criteria and feels right, it's time to make an offer. This involves proposing a purchase price and terms under which you're willing to buy the property. You can rely on my expertise and guidance for this part of the process.

Below are things to keep in mind for a strong offer:

- 1 Consider Market Conditions**
Evaluate the current housing market to inform your offer.
- 2 Determine A Fair Offer**
Base your offer on the home's condition, comparable sales in the area, and other relevant factors.
- 3 Include Necessary Contingencies**
Protect yourself by including conditions such as passing a home inspection and securing financing.
- 4 Be Prepared For Response**
The seller may accept, reject, or counter your offer, leading to negotiations.
- 5 Stay Flexible**
Be ready to act quickly and adjust your offer if necessary, especially in competitive markets.

*LET'S MAKE YOUR
DREAM HOME A
REALITY! I WILL
HELP YOU CRAFT
A STRONG OFFER
BY LEVERAGING
MY EXPERT
GUIDANCE AND
MARKET INSIGHTS.*

OFFER NEGOTIATION

Negotiation is a crucial stage in the home buying process, often involving counteroffers from the seller. Effective negotiation combines knowledge, strategy, and interpersonal skills to secure terms that meet your goals. Below are things we'll consider:

- 1 Understand Seller Motivations**
Gain leverage by knowing the seller's reasons for moving.
- 2 Utilize Market Data**
Strengthen your negotiation stance with pertinent market insights.
- 3 Consider Non-Price Terms**
Flexibility with closing dates, appliances, and repairs can be crucial.
- 4 Negotiate Closing Costs**
Save money by negotiating who covers closing costs.

ACCEPTED OFFER

CONGRATS ON YOUR ACCEPTED OFFER!

Having your offer accepted is a significant milestone in your journey to homeownership. It marks the beginning of the final phase, where you transition from potential buyer to homeowner.



EARNEST MONEY DEPOSIT

Once your offer is accepted, you'll deposit earnest money, typically 1%-2% of the purchase price, into an escrow account. This good faith deposit demonstrates your commitment and is applied toward your down payment or closing costs at closing.



CONTRACT REVIEW

Thoroughly review the purchase agreement with your real estate agent or a lawyer to ensure the terms—including price, contingencies, and closing date—protect your interests.



CONTINGENCY PERIOD

This is when you will have an inspection, research demographic factors, perform an appraisal, review HOA documents (if applicable), find acceptable homeowner insurance, and finalize your mortgage.

THE INSPECTION PROCESS

WHAT IS AN INSPECTION?

A home inspection is a thorough assessment of a property's physical structure and mechanical systems performed by a licensed professional. It identifies any potential problems that could cause significant expenses or hazards in the future.

It's advisable for potential buyers to be present during the inspection, as this provides an opportunity to ask questions and gain firsthand insights from the inspector.

A THOROUGH HOME INSPECTION IS YOUR SAFEGUARD—TO HELP ENSURE THE PROPERTY IS SOUND AND YOUR INVESTMENT IS MOST SECURE.

HOW LONG DOES IT TAKE?

The duration of a home inspection can vary depending on the size and condition of the property, but **it typically takes between 2-4 hours**. Larger homes, older homes, or those in poor condition may take longer to inspect thoroughly.

WHAT CAN WE ASK TO HAVE FIXED?

Based on the findings of the home inspection, you can request repairs for any significant issues that affect the home's structural integrity, safety, or functionality. This could include fixing roof leaks, addressing mold and water damage, repairing electrical issues, and ensuring all appliances and systems are in working order.



It's important to focus on requesting repairs for major concerns rather than cosmetic issues.

The seller may not agree to all requests, leading to further negotiation where you might agree to share the costs, or in some cases, you might adjust the offer price instead.

WHY IS IT IMPORTANT?

1

Awareness

Provides a clear picture of the home's condition.

2

Negotiation Leverage

Information from the inspection can be used to negotiate repairs or adjust the purchase price.

3

Safety

Identifies safety issues like radon, carbon monoxide, and mold.

4

Future Cost Planning

Helps estimate future costs for repairs and maintenance.





FINAL DETAILS BEFORE THE CLOSING



FINALIZE THE LOAN

As the closing date approaches, you will receive a closing disclosure from your lender that outlines your loan details and closing costs. Review this document carefully.



HOMEOWNER'S INSURANCE & UTILITIES

Arrange for homeowner's insurance and finalize utilities and other services for your new home.



FINAL WALK-THROUGH

Conduct a final walk-through of the property to ensure all conditions are met and the home is in the agreed-upon state. This typically happens 1-2 days before the closing.

*COMPLETING
THE FINAL STEPS
WITH PRECISION
ENSURES
A SMOOTH
TRANSITION INTO
YOUR NEW HOME.*



THE CLOSING

This is the final step in the buying process. It is the process where ownership of a property is legally transferred from the seller to the buyer. Here's what typically happens during a closing:

- 1 Final Review And Signing Of Documents
- 2 Payment Of Fees And Closing Costs
- 3 Recording Of The Deed
- 4 Disbursement Of Funds
- 5 Exchange Of Keys And Possession

WHAT TO BRING TO A CLOSING

- ☐ 2 Forms of ID one being a Driver's License or other government issued photo ID.
- ☐ Receipt and declarations page for one year's paid homeowner's insurance if not already provided to your lender.
- ☐ Wire transfer or certified check for any funds required to close.

BUYER'S FAQ



HOW DO WE KNOW WHAT WE CAN AFFORD?

Lenders recommend that you spend no more than 3-5 times your annual income on a new home. You can find many mortgage calculators online, which provide a great starting point. When calculating, don't forget to include extra expenses like home inspection, appraisal costs and money for any home improvements.



DOES EVERYONE PUT 20% DOWN WHEN THEY PURCHASE THEIR HOME?

No. While it's ideal if you can put a 20% down payment on your new home in order to avoid PMI (Private Mortgage Insurance) monthly costs, it certainly isn't necessary. There are many ways to put down much less, and with certain types of loans, you may need as little as 3.5%.



DOES IT MATTER WHO MY LENDER IS?

Yes, it does matter who your lender is when you're buying a home. Choosing the right lender can significantly affect your experience throughout the mortgage process, as well as the terms and costs of your loan. You can shop around and find the best option for you and ask your real estate agent for referrals to experienced lenders that their other clients have been happy with.



HOW LONG DOES THIS PROCESS TAKE?

The average timeline for purchasing a home typically spans from about 30 to 45 days from the time an offer is accepted to the closing of the transaction. This period can vary based on several factors, including the type of mortgage, legal requirements, and market conditions.



WHAT IS A BUYER VS. SELLER MARKET?

A seller's market happens when there is a shortage in housing. A buyer's market occurs when there are more homes for sale than buyers.



WHY ARE YOU ASKING ME TO PAY FOR YOUR SERVICES?

A buyer's agent provides valuable expertise and support throughout the buying process, making your investment in their services well worth it for most buyers.

This support includes:

- Market knowledge and area expertise
- Access to all listings and off market opportunities
- Offer guidance and strong negotiation skills
- Structuring contracts and focusing on your best interest
- Handling your contracts
- Representation, confidentiality and loyalty
- Minimize stress and maximize best use of your time



HOW DOES A BUYER'S AGENT GET PAID?

Contractually paid by the Buyer:

Due to new 2024 National Association of REALTORS® and Arizona Association of REALTORS® rules.

1. **Paid by Seller:** Will be negotiated to have the seller cover your buyer agent's compensation from the proceeds of the sale.
2. **Negotiated to be Split by Buyer and Seller:** The compensation could be shared between both parties.
3. **Wrapped into Loan:** In some situations compensation can be structured to be wrapped into the Buyer's loan.

REAL ESTATE TERMS

APPRAISAL

An evaluation to determine the market value of a property, typically conducted by a professional appraiser during the home buying process.

CONTRACT CONTINGENT ON BUYER SALE (CCBS)

A Status that the home is in contract and contingent on the sale of buyer's other property. Contingency lasts typically 2-3 weeks before another buyer can opt to purchase.

CLOSING COSTS

Fees and expenses, aside from the price of the property, that buyers and sellers incur to complete a real estate transaction.

CONTINGENCIES

Conditions outlined in a real estate contract that must be met for the transaction to proceed, such as home inspections or financing.

DEBT-TO-INCOME RATIO (DTI)

A calculation used by lenders to compare a person's total monthly debt payments to their gross monthly income.

DOWN PAYMENT

An initial payment made when buying a home, typically a percentage of the property's price.

EARNEST MONEY

A deposit held in escrow to the benefit of the seller, showing the buyer's good faith in a transaction.

ESCROW ACCOUNT

An account where funds are held in trust while a real estate transaction is finalized.

EQUITY

The value of a homeowner's interest in their property, calculated by the difference between the home's market value and the remaining balance of liens on the property.

HOA

A Homeowners Association (HOA) is an organization in a residential community that makes and enforces rules for the properties and residents within its jurisdiction.

HOME INSPECTION

An examination of the condition of a real estate property, typically performed by a qualified inspector.

LIEN

A legal right or interest that a creditor has in another's property, usually lasting until a debt or duty that it secures is satisfied.

LIEN HOLDER

The creditor who holds the lien.

MORTGAGE

A loan secured by real estate property, typically paid off over a long term, such as 15 or 30 years.

OFFER

A formal proposal to buy a property at a specified price and terms, made by a potential buyer to the seller.

PENDING

A status of a property sale where an offer has been accepted, typically no remaining contingencies but the transaction has not yet been completed.

PRE-APPROVAL LETTER

A document from a lender stating that a potential borrower would likely be approved for a specified amount under current financial conditions.

POSSESSION DATE

The date on which a buyer can take possession of the property, typically after the closing of the sale.

PURCHASE AGREEMENT

A legal document outlining the terms and conditions of a property sale between a buyer and a seller.

PROPERTY TAXES

Taxes assessed by local governments on real estate property.

REFINANCING

The process of replacing an existing mortgage with a new loan, typically to reduce the interest rate or change the loan term.

SURVEY

A process by which a parcel of land is measured and its boundaries and contents are determined.

TITLE

A legal document evidencing a person's legal right to ownership of a property.

TITLE COMPANY

A company that specializes in examining and insuring titles to real estate.

UNDERWRITING

The process by which lenders verify and evaluate the risks involved in offering a mortgage to a potential home buyer.

UNDER CONTRACT BACKUPS (UCB)

A status that the home is in contract contingent on inspections and/or financing.



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