HIGHGARDEN
REAL ESTATE

A HOMEBUYING GUIDE

UNLOCKING

THE DOOR TO YOUR NEW HOME

THE ROLE OF A REAL ESTATE AGENT

HOW I HELP STREAMLINE THE PROCESS FOR YOU

1. I can help you find financing for 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 all the paperwork and transaction management.
11. I help go over the inspection report and negotiate the repairs needed for the home you are purchasing.
12. I can help you by providing a preferred contractor list to assist with any repairs.
13. I will help you with all your questions or real estate needs even after the closing.

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.***

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's agency agreement.

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.

04

MAKE AN OFFER

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

05

NEGOTIATIONS

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

06

ACCEPTED OFFER

Once your offer is accepted, you will be under contract.

07

HOME INSPECTION

If you don't have an inspector, I can refer one.

08

APPRAISAL

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

09

HOME INSURANCE QUOTE

I can refer a company if you need one.

10

LOAN APPROVAL

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

11

FINAL WALK-THROUGH

Usually 1-2 days before closing.

12

CLOSING

You now own a home!

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?

Traditionally 20% of the home purchase price is what is recommended, but there are other options available.

Conventional Loans - require a minimum of 3-5% 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	Home Inspection	Appraisal	Closing Costs
Typically 1% of the purchase price goes toward your down payment or closing costs.	Typically about $300-$500.	Typically about $450-$650.	Commonly $3,000-$7,000.

FINDING THE RIGHT HOME

UNDERSTANDING YOUR NEEDS

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

- ☐ Location
- ☐ Commute to and from work
- ☐ School systems
- ☐ Advantages of floor plans
- ☐ Amenities
- ☐ Features in a home (ex: # of beds and baths, fireplace, chef's kitchen, large backyard, etc.)
- ☐ HOA vs. No HOA
- ☐ Condition of home
- ☐ 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 next phase, where you transition from potential buyer to homeowner.

EARNEST MONEY DEPOSIT

Once your offer is accepted, you'll deposit earnest money, typically 1% 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 make sure the terms, including price, contingencies, and closing date, protect your interests.

DUE DILIGENCE PERIOD

This is when you will have an inspection and 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 an 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. IT HELPS ENSURE THE PROPERTY IS SOUND, AND YOUR INVESTMENT IS 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

- ☐ Driver's License or other government-issued photo ID.
- ☐ Receipt and declarations page for one year's paid homeowner's insurance.
- ☐ 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, 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.

HOW LONG DOES THIS PROCESS TAKE?

The average timeline for purchasing a home typically spans from about 30 to 60 days from the time an offer is accepted to the closing of the deal. 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 the investment in their services well worth it for most buyers.

This support includes:

- Area Expertise
- Offer Guidance And Negotiation Skills
- Market Knowledge
- Access To All Listings And Off Market Opportunities
- Handling Your Contracts
- Representation And Loyalty
- Saving Time And Stress

HOW DOES A BUYER'S AGENT GET PAID?

Your agent's compensation is agreed to in writing before we tour homes, and it is fully negotiable. In many transactions, the seller agrees to cover some or all of it as part of your offer. If they don't, you would cover the difference. Either way, you will know the amount up front.

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.

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 made to a seller showing the buyer's good faith in a transaction.

ESCALATION CLAUSE
A clause in a real estate offer that automatically increases an offer price under certain conditions to outbid other offers.

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 mortgage balance.

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, 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.

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TO FIND OUT MORE, VISIT HIGHGARDEN.COM