

# 8 Steps to Buying a Home

## Buyer Checklist

### 1. Prepare to Buy

- Begin process only when you're ready to make a purchase
- Resolve issues...*including, but not limited to:*
  - ♦ When do you need to be settled?
  - ♦ Who else needs to be involved in the decision?
  - ♦ Does your job play a part in the decision to move?
  - ♦ If renting, does your current lease need to be reviewed?
  - ♦ If already owning, should you buy first or sell first?
- Make sure all parties involved are committed
- Define your financial strengths and weaknesses

### 2. Meet with a Real Estate Agent

- Ask about agent's experience, affiliations, and designations
- Select and work with only one agent
  - ♦ Ask about Buyer Agency
  - ♦ Gain understanding of representation for your specific transaction
  - ♦ Sign a buyer representation agreement that outlines your rights and responsibilities
- Have the agent define and explain the buying process
- Help your agent get to know you, your needs and your lifestyle
  - ♦ Consider inviting them to your home
  - ♦ Ask a lot of questions
- If you're considering new construction, let your agent know so he/she can help

### 3. Establish Price Range and Financing

- Obtain a pre-approval letter
- Research and understand various financing options and their associated risks. *Examples include, but are not limited to:*
  - ♦ Fixed-rate mortgages
  - ♦ Adjustable-rate mortgages (ARMS)
  - ♦ Interest-only loans
  - ♦ FHA/VA loans
  - ♦ Balloon mortgages
- Watch the Financing Bonus Feature on the *8 Steps to Buying a Home* DVD for more details
- Use the Lender Questionnaire document provided on this DVD when interviewing lenders

### 4. Determine Your Housing Requirements

- Begin by examining your lifestyle and dominant motivations
  - ♦ *Motivations:* Achievement, Pride, Family, Security, Convenience, Comfort, Independence, Privacy, Love, Self-fulfillment, Social Acceptance/Friendship, Status/Recognition
  - ♦ *Lifestyle Descriptors:* Busy, Adventure, Travel, Entertain, Relaxing, Animal Lover, Gardener, Workaholic, etc.
- Translate your motivations to the physical requirements of the home
  - ♦ *Physical Requirements:* #Bedrooms, #Baths, Yard, Location, Proximity to Amenities, Fireplace, Basement, etc.
- Remember: you ultimately buy according to how you will feel in the home

# Buyer Checklist [cont.]

## 5. Start House Hunting

- Use technology to define your search
- Preview homes via the Internet at sites such as:
  - ♦ Your agent's company site, MLS online and
  - ♦ Experience homes using online virtual tours
- Your agent will arrange showings
  - ♦ Imagine yourself living in the home
  - ♦ Mentally place furniture and family in rooms
  - ♦ Discuss your reactions with your agent
- Don't expect perfection with existing real estate; focus on permanent features and characteristics
- If you find a house that feels right, make your decision sooner than later
- If you choose to buy the house, hire a private inspection company to evaluate it



## 6. Complete the Purchase Agreement

- Your agent will serve as an advisor during this process; you ultimately make final decisions on elements of the agreement.
- The goal is to reach agreement and purchase the home; aim for a win-win transaction
- Read and understand the elements of your purchase agreement:
  - ♦ Earnest money
  - ♦ Personal property and fixtures
  - ♦ Price
  - ♦ Time: closing and possession dates
  - ♦ Financing terms
  - ♦ Other conditions (i.e. contingencies)
  - ♦ Taxes, assessments and escrow
- Remember: quality real estate will command market value. Don't make a low offer for homes priced at or near market value.

## 7. Present and Negotiate the Purchase Agreement

- Know the sellers options
  - ♦ Accept your offer
  - ♦ Reject your offer
  - ♦ Counter offer
  - ♦ If multiple offers, they may select a competing agreement
- Negotiate only the items that are most important

## 8. Close the Sale

- Work with agent and lender to provide all necessary items...*including, but not limited to:*
  - ♦ Credit report
  - ♦ Appraisal
  - ♦ Income and deposit verification
  - ♦ Finalize loan approval
  - ♦ Inspections
  - ♦ Title search
  - ♦ Homeowners insurance
  - ♦ Moving arrangements
- Pay the balance of down payment and closing costs
- Receive the keys to your NEW HOME!