

THE ULTIMATE GUIDE TO BUYING A HOME

*How to Find Your Dream
Home at Your Dream Price*

Brought to you by:



The average home buyer in 2014 searched for listings for 10 weeks and ultimately visited 10 listings.



Despite all of the technology available to buyers these days, their search for their dream home still takes time and careful research — regardless of whether they're a first-time home buyer or a veteran who's purchased multiple residences over the years.

Use this guide to help navigate your home search, become even more knowledgeable about what to look for in your ideal home, and, in the end, find the right property to purchase in 2015.

Data: The National Association of Realtors 2014 Profile of Home Buyers and Sellers

PREPARING YOUR FINANCES



**BUILD UP
YOUR SAVINGS**



**IMPROVE
YOUR CREDIT
SCORE**

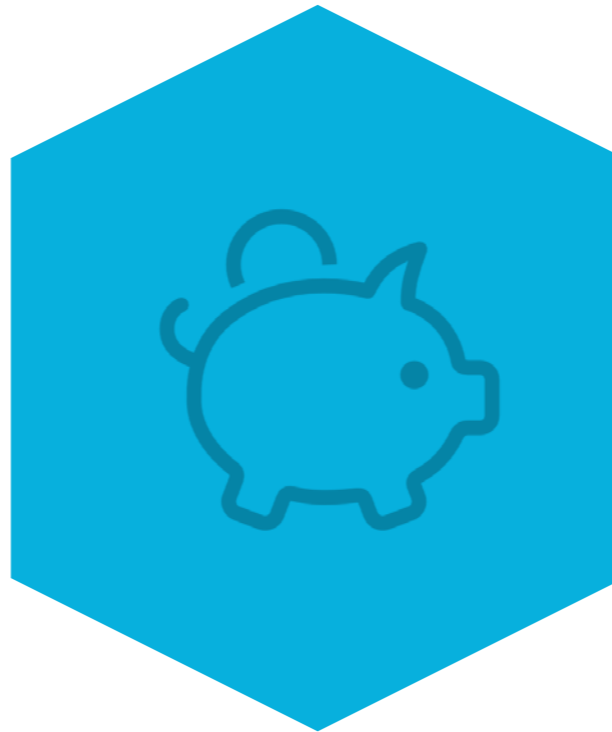


**GET MORTGAGE
PRE-APPROVAL**



**BEGIN THE
HOME SEARCH**

Prior to hitting the market and checking out listings, you need to take care of some necessary tasks, including saving up plenty of money for a new home, enhancing your credit score, and getting pre-approved for a home loan.



BUILD UP YOUR SAVINGS

Though America's financial crisis is now in the rearview mirror, lenders nationwide continue to have stringent lending standards, meaning it takes significant amounts of capital for prospective borrowers to secure home loans.

Focus on building wealth before even considering your home purchase to ensure you have more than enough to convince lenders you're ready to become a homeowner and handle the subsequent mortgage payments with ease.



IMPROVE YOUR CREDIT SCORE

Another factor lenders strongly take into consideration is the strength of potential borrowers' credit scores. The math here is simple: The higher your score, the better you look in the eyes of lenders.

Doing things like paying all of your bills on time and in full, eliminating outstanding debts, and avoiding taking on new lines of credit can bolster your credit score and enhance your odds of securing not only a home loan, but also favorable loan terms.



GET MORTGAGE PRE-APPROVAL

After getting all of your finances in order, it's time to head to lenders to get pre-approved for a home loan. Whereas pre-qualification is an estimate of how much house you can afford, pre-approval is getting lenders to deem you worthy of receiving a mortgage.

Once you've been pre-approved, you can search online to find the most favorable mortgage rates and terms from various lenders and, ultimately, choose the one that's best for you and your finances in the long term.



BEGIN THE HOME SEARCH

You've completed all of the dirty work, and now, it's your turn to actually begin the home search in earnest by checking out what listings are available in the area in which you intend to purchase a home.

Having said that, it's in your best interest to find a buyer's agent who knows the local real estate market well and has a proven track record of getting their clients in the right home that fits their budget and preferences.

Real estate agents were considered useful to 98% of home buyers in 2014.



It's hard to argue with all of the quality traits experienced real estate agents bring to the table for their clients: savvy negotiating skills, a rich understanding of the local housing landscape, legal knowledge, and in-depth advice for home buyers on how to approach the entire process.

Here's exactly what you can (and should) expect when hiring a real estate agent ...

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WHY WORK WITH AN AGENT?



Market Expertise

Everything from where home values are rising the most to the best ice cream shops and concert venues: That's the kind of intricate knowledge real estate agents have about the markets in which they work.

Sure, anyone can Google housing statistics and local community information, but agents are constantly in the know and building their networks so they can provide buyers with every last detail they need to know about their market.

WHY WORK WITH AN AGENT?



Negotiation Skills

With a veteran real estate agent comes veteran sales techniques. Put your trust in an experienced buyer's agent who has proven to get great prices and the best terms possible for their past clients.

The best place to find out about the local agents? Head online to examine real estate agent websites and their social media presence. This is where you'll find reviews and testimonials that can guide your decision-making.

WHY WORK WITH AN AGENT?



Legal Knowledge

Legalese is not something the average home buyer knows a great deal about — but then again, they don't have to, so long as they employ a real estate agent.

Agents are well-versed in the language of home purchase agreements and other legal documents, meaning you don't have to study up on real estate law and, in turn, avoid headaches during the home buying process.

WHY WORK WITH AN AGENT?



Referral Networks

Buying a home entails a lot more than attending listing showings and making bids. It involves dealing with lenders, title insurers, appraisers, and other real estate professionals who have a necessary hand in sale agreements.

Real estate agents work tirelessly to grow their vendor networks and build relationships with reputable pros and firms who know how to conduct business correctly and efficiently.

HOME SEARCH FACTORS



CONDITION

It's vital to discover which homes for sale are in prime condition and which will require some investment to fix.



SIZE & TYPE

Determining size and style preferences is essential when hitting the market to check out real estate listings.



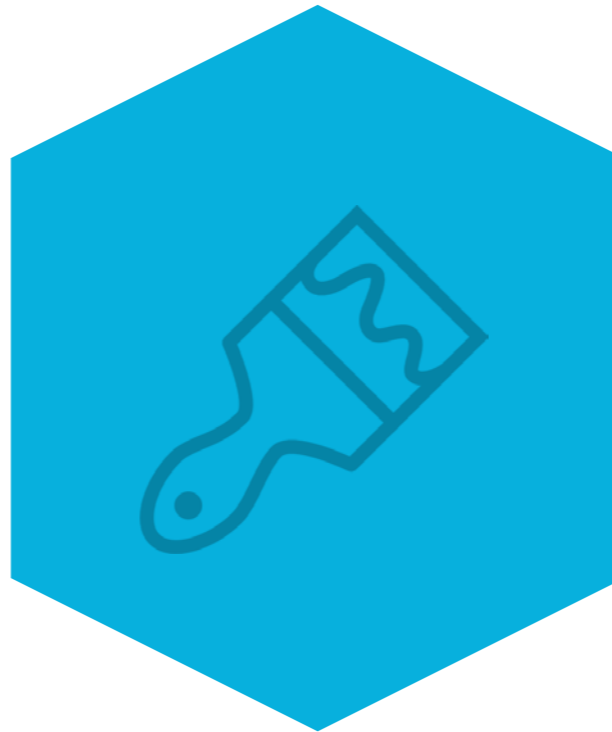
PRICE

Narrow down your search by price point first so you only view homes for sale you can actually afford and don't waste your time.



LOCATION

Identify specific regions, towns, or even neighborhoods where you would be happy to lay down a foundation.



CONDITION

Whether you're interested in properties built in the last couple of years or residences constructed at the turn of the 20th century, chances are there are some blemishes — and perhaps even some major issues — that require attention and action. Here are the main home problems to look for ...

CONDITION



Issues

Foundation: Any cracks, breaks, mold, and pests discovered near a home's foundation are big red flags that indicate you may want to head to the next listing on your list.

Power and Heat: Faulty switches, poor wiring and insulation, low-performing air and heating systems, and window leaks are telltale signs of a residence that's in dire need of some serious updates.

Exterior: Closely inspect panel siding, roofing, window shutters, and holes and cracks in walls and take a close look around the yard, like driveways, pools,

sheds, and other outdoor areas for any potential defects.

Odors: Smell doesn't lie. If something in or around a real estate listing causes a physical reaction — whether it's general air quality or a specific problem area with mold — it may not be an ideal choice.



SIZE & TYPE

It doesn't matter if you're a growing family in need of an upgrade or a couple looking for a cozy retirement property, it's imperative to consider what residence size and type is both acceptable and desired.

Each listing your real estate agent shows you will have its own unique shape, size, and style, so it's important to know what you want in your home, what you can live with, and how much space you actually need.

SIZE & TYPE



Type

The type of residence you want to buy likely isn't available in every community. For instance, townhomes are more prevalent in cities, whereas ranches are more common in suburban and rural areas.

Regardless of your home style preference, each one comes with its own benefits. Living in a condo in an urban area, for example, means you have just about everything you need within walking distance: grocery stores, gyms, theaters, etc.

Conversely, if you plan to purchase a standalone, single-family property in the

'burbs, you'll have more privacy and space for your kids to enjoy the outdoors.

Another consideration for home type is how many previous owners a specific home has had. Pre-owned listings tend to sell far cheaper than newly built properties, so if you have your heart set on a brand new home, realize that it will likely mean a larger down payment than previously owned residences.



PRICE

Now that you have a specific budget for your property purchase, you now have a crystal clear idea about how to conduct your home search. Having said that, there are still other financial considerations to take into account with any listing you plan to bid on.

PRICE



Price Factors

Prior to touring a single property your agent wants to show you, figure out what the maximum monthly mortgage payment is that you can easily handle paying off in full. There are countless mortgage calculators online, so find one, enter in the figures representing your financial situation — current income, projected income, savings, etc. — to help you determine what a feasible monthly home loan payment would look like.

Aside from your finances, also factor in

payments for things like home insurance, property taxes, and, depending on where you buy, homeowners/condo association fees or flood insurance.

The silver lining to taking on these payments is you may be eligible for some tax deductions for items like mortgage interest, so consider that extra money coming back to you as well.



LOCATION

What kind of businesses are nearby? What's the quality of the area's school system? Where's the closest public transportation? It's these questions— and seemingly innumerable ones just like them — that prospective homeowners such as yourself need to ask during the home search.

Though you may fall in love with a home's living area, backyard, or roof deck, you also need to take into account what the community can offer you and your family — not only to ensure you live near great and useful amenities, but also to make certain you're paying the appropriate price for a listing.

LOCATION



Location Factors

Work Commute: Make sure you consider whether it's easy for you and any other adults you intend to live with to get to and from work when touring listings. Ask about local bus and train schedules and the nearest highways.

Child Care Services: Are there any reputable day care centers nearby? It's important for parents with young children to find quality care for their kids.

School System: It doesn't matter if you have kids or not — the quality of a school system greatly impacts home values and how a community evolves.

Public Services: Discover all you can about nearby hospitals, local police and fire departments, and general municipal services to get a feel for the community in which the listings you check out reside.

LOCATION



Location Factors Cont'd

Crime: The rate and total number of crime committed in an area can have a drastic impact on home values in the long run.

Shopping and Attractions: Where are the best clothing stores? Are there are great nightlife spots around? Knowing you have plenty to do and enjoy near your new home is just as important as finding a suitable residence.

Water and Power: Knowing that all of the plumbing and electrical work done in a home and its surrounding neighborhood is essential. Also, ensure there's no history of

pipe breaks and power outages in your area, as that could spell trouble.

Ownership Situation: What are the most common types of properties in the area? Mostly real-estate owned residences? Newly built homes? This, too, can impact home values and neighborhood growth.

OFFER AND CLOSING



**DETERMINE THE
RIGHT BID**



**GET A HOME
INSPECTION**



**IT'S CLOSING
TIME**



**HANDLE THE
LOGISTICS**

After you've completed a comprehensive search across the local market and zeroed in on one the home for sale you want, it's time to get the purchase process in full gear. Of course, bidding on a listing is just one step in the buying a home. There's plenty to do once the paperwork gets going and after all of the t's have been crossed and i's have been dotted.



DETERMINE THE RIGHT BID

While those selling the listing you bid on have a specific list price, that doesn't necessarily mean your first (or second or third) bid needs to meet their pricing requirement. Rather, work with your real estate agent to develop a price point that you're comfortable with and leaves room for negotiation with the sellers. One major factor in your bid should be what other homes near the listing have sold for in recent months and years, what types of residences those that sold are, how long they sat on the market, and any other relevant details you and your agent can secure.

A Comparative Market Analysis (CMA) conducted by your agent can provide you with an understanding of all of this information. From there, you can figure out what you're willing to offer for a home for sale. Just remember that there may be one or more other buyers willing to make a better offer than yours.



GET A HOME INSPECTION

Once a seller has tentatively accepted your offer to purchase their property, it's time to bring in a home inspector to comb over the residence and surrounding yard to ensure everything is up to snuff. Any serious issues that pop up — whether it's old wiring or fragile roofing — should be brought to the attention of the seller so you two can determine who should take care of fixing them.

Consult with your agent to figure out how to negotiate who should take care of problems in and around the home.

After the inspector has confirmed everything else looks in order and you and the seller are still intent on moving forward, it's time to start signing the paperwork and moving the deal along.



IT'S CLOSING TIME

You're on the cusp of closing the deal and owning your very own home ... but it's important to pay attention to all of the minor details that need to be handled in order to make the purchase official. Thankfully, your real estate agent can help you with these tasks, like facilitating paperwork between your mortgage lender and signing the requisite forms.

Of all times during the home search process, this is the one when it's absolutely vital to double-check every document and agreement to make sure you and the seller are on the same page. Many deals fall through at the last minute due to miscommunication, so work with your agent diligently to get the deal past the finish line in a timely and efficient manner.



HANDLE THE LOGISTICS

The deal is done. You've started moving your things into your new residence. The one final hurdle to leap? Setting up all of your utilities, getting your mail sent to your new address, and, more generally speaking, settling in to your new abode. As with the closing process, though, this isn't something you have to (or should) go through alone. A top-notch real estate agent sticks around for his clients to

make sure the transition to their new properties is a smooth, headache-free one.

Moreover, a quality agent keeps in touch with their clients and checks in to see their progress made with their homes and how their families are doing.