

BUYER'S GUIDE

BUYING YOUR NEW HOME

Luxe Residential Group



luxerg.org

Your Road Map to Buying A Home

1

Find the Right Agent

You never want to start the home search without a knowledgeable real estate agent in your corner. Find someone who knows the market, how to negotiate, and the ins and outs of a transaction. Hint: Luxe Residential Group Agents.

2

Get Pre-Approved

Before you start looking for your new home, you want to sit down with a lender and get pre-approved. This will help you determine your price range and set you up for success when making an offer.

3

Find Your Home

Once you have a pre-approval, the search is on! Our real estate agents will help you not only search for homes and show them to you but help answer questions and prepare the strongest offer when the time comes.

4

Make An Offer

When you find the perfect home for you, our agent should help you review comparable sales, as well as other factors like inspections and repairs, and help you structure an offer and negotiate a price and contract you are happy with.

5

Inspect and Appraise the House

Once you are under contract on your new home, you will want to have the home inspected, appraised, and review other due diligence documents to insure you are comfortable with the home purchase. We recommend a few professionals in each category for you to choose from.

6

Finalize Negotiations & Loan

Final negotiations will be made regarding any inspection, appraisal, or other issues, and the loan will be put through final underwriting. Once your loan is approved, you are ready to close on your new home!

7

Closing Day!

Once the loan is approved, you are ready to head to the closing table. Real estate documents and loan documents will need to be signed and money collected before you get those keys in hand.

THE FIRST STEP

Finding the Right Agent



Buying a home can be an overwhelming process. From financing to negotiating to closing, there are a lot of moving pieces that can leave homebuyers bewildered. You want to make sure you have the right agent who will help guide you through each step of the buying process, offering sound advice along the way. By working with someone who knows the ins and outs of the real estate industry, as well as the market, you will not only end up with a great home, but you will also walk away with a great experience.

Ask your agent to prepare you a net sheet, so you know exactly how much money you will be walking away with.



Questions to Ask your Agent?

Are you a full-time or part-time agent?

What is your schedule and flexibility like?

How many homes do you help clients buy/sell in a year?

How many buyers do you work with at one time?

Do you work with a team?

How do you handle negotiations or issues? Tell me about one.

GET PRE-APPROVED

Meeting with your Lender

The first step in the homebuying process is to get yourself pre-approved with a lender. This will ensure you are ready to make an offer on a home when you find the right one! A Pre-Approval is a statement from a lender showing that they have reviewed your credit score and financials and are pre-approving you to buy a home up to a certain dollar point. A pre-approval lets you know how much you can afford when it comes to buying a home, meaning you will not be shopping above your price range. It also gives the seller confidence that you are well qualified.



Before you sit down with a Lender, make sure you have these documents ready to go!

- ☐ Social Security Number for all borrowers who will be listed on the loan
- ☐ Proof of Employment
- ☐ Proof of Income, usually your two most recent pay stubs
- ☐ Your W-2 Statements and Tax Returns for the last two years
- ☐ Self-Employment Documents
- ☐ Bank Account Statements
- ☐ Place of Residence, typically for the last five years
- ☐ Gift Letters, if someone is gifting you funds for the down payment
- ☐ Your Credit History and Score, to be pulled by the Lender



THE SEARCH BEGINS

Finding your New Home



Once you have your pre-approval in hand, the home search can begin. Make sure that you not only have your price range in mind but also your list of must haves and like to haves. No home is going to be absolutely perfect, so be sure of what you can and cannot compromise on.

Your agent should set up a search for you on MLS with your criteria. The MLS (or Multiple Listing Service) is where licensed agents post their active listings and share data with other agents. When you find a property you like, your agent will set showings for you to physically see the property.

Your Buyer's Agent can show any property active on the market. You do not need to contact the listing agent.

What Things Should I Consider in a Home?

When you are looking to buy, make sure you are considering more than just what the home looks like. Here are a few things you may want to consider:



Location



Layout



Commute



Schools



Taxes & Hoa Fees



Noise Level

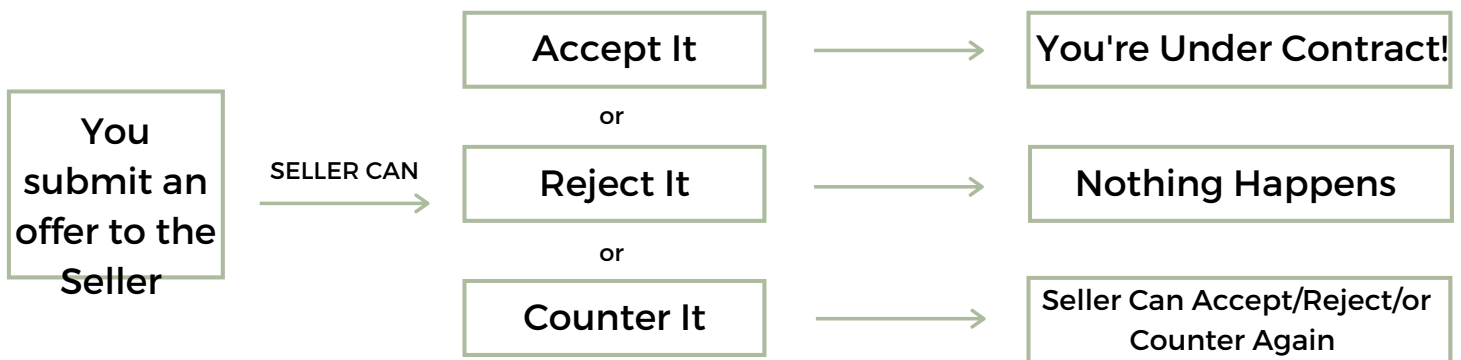
CONTRACT TIME

Making an Offer

This may be one of the most daunting parts of real estate. Your real estate agent will help you review recent comparable sales in the neighborhood, as well as other factors about the home like inspections and repair and will then help you structure an offer and negotiate a price and contract you are happy with.

Things to Consider When Making an Offer

- ✓ **Always Put Your Best Offer Forward. Especially in multiple offer situations!**
- ✓ **Cash Will Always Be More Attractive. Loans require approval and more hoops than cash.**
- ✓ **Offer a Higher Earnest Money Deposit. This shows the seller you are serious.**
- ✓ **Shorten Inspection Periods. If something is a deal breaker, sellers want to know sooner.**
- ✓ **Offer a Quicker Close. Or if they need time to find another house, offer a rent or lease back.**



UNDER CONTRACT

Inspections & Appraisal

Once you are under contract, you will begin working your way through the due diligence period and contingencies on the contract. During this time, you will want to order an inspection on the home to ensure there are no major issues, and your lender will most likely order an appraisal to ensure the value.



Types of Inspections You May Consider Ordering:

- General Inspection
- Radon Inspection
- Sewer Scope
- Mold Inspection
- Roof Inspection
- Structural Engineer

Things Happening During this Time

The Appraisal

The Lender will want to ensure they are not lending more money than the home is worth. An appraisal is ordered to determine the market value of the home by an independent third-party.

Title Search

A Title Company will search all records of the home to verify that the title is indeed transferrable and all liens and loans on the home are paid off during closing ensuring the buyer has no future issues.

Home Insurance

During this time, you will want to secure a home insurance plan to commence on the closing date. Make sure you have applicable certificates that your lender may require (i.e. flood insurance).

FINAL NEGOTIATIONS

& Final Repairs



Final Negotiations

Many times, after the inspection, issues will arise that result in another round of negotiations. You may request the seller does repair work or ask for a credit in lieu of repair work. Try to only bring your biggest issues to the forefront. Sellers tend to be less agreeable when you come to them with a laundry list of items and usually pick the smallest ones.

Underwriting & Loan Approval

From the time you went under contract until now, the lender has been preparing the loan and has submitted it to underwriting. Underwriting will do a final review to make sure all conditions are met and the loan is solid before approval. Expect loan approval to come close to closing.



THE FINAL STEP

Closing Day

At least three days prior to closing, you should receive your Closing Disclosure. This is a disclosure your lender is required to provide to you showing the final loan terms and all the closing costs associated with your loan, as well as the final amount you will need to bring to closing. You should review this and direct any questions to the lender immediately.

Who Attends Closing?

- ☐ Your Agent
- ☐ The Seller
- ☐ The Seller's Agent
- ☐ Title Company Closer
- ☐ The Lender
- ☐ Any Attorneys

What Do You Bring?

- ☐ Anyone Else on the Loan with You
- ☐ Anyone on Title with You
- ☐ Government ID
- ☐ Funds Required to Close

Once the loan is fully approved and the transaction fully funded, you bought your new home. The title company will record the real estate documents with the tax county for you, and you will be able to move in as agreed upon in the contract.
Congratulations!!!



CLOSING COSTS

Who Pays What

The SELLER can generally be expected to pay for:

- Owner's Title Insurance Policy
- Real Estate Agent Commissions
- Closing Fee (50%)
- Document Preparation Fee for the Deed
- Any HOA Assessments (according to the contract)
- Any and All Delinquent TaxesAny Unpaid HOA Dues
- Any FHA or VA Loans Fees required by lender
- Payoff of All Loans in Seller's Name
- Interest Accrued on Loans and any prepayment penalties
- Any Judgement, Tax Liens, etc against the seller and all associated recording fees
- Tax proration
- HOA Transfer Fee
- Anything Else Negotiated for in the contract

The BUYER can generally be expected to pay for:

- Lender's Title Insurance Policy
- Closing Fee (50%)
- Loan Document Closing Fee
- Recording Fees for all documents in buyer's name
- All New Loan Charges including Lender's origination fee and interest until first mortgage payment
- Inspection Fees
- Appraisal Fees
- Insurance Premium for first year
- Escrow Minimum Held by Lender
- Anything Else Negotiated for in the contract





Thank you for choosing us!

ADMIN@LUXERG.ORG

WWW.LUXERG.ORG