



DISTRICT
SPOTLIGHT
GROUP

Buyer's Guide

COMPASS



About District Spotlight Group Of Compass:



Real estate is both a science and an art.
It takes attention to detail, local expertise, creativity,
investment knowledge, and most importantly, empathy.
The foundation of our team was built around these
principles, to bring our clients a seamlessly professional
approach towards purchasing and selling real estate.



“Amid pleasures and palaces
though we may roam, Be it
ever so humble, there’s no
place like home.”

Top Agent of Compass
Award (2019 and 2020)



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**Meet
Our Team**

Born and raised in the Washington, D.C. metro area, **Spencer Bodian** brings his unrivaled local knowledge, real estate expertise, and passion for his hometown to Compass.

As a top producing agent, team leader, and investor, Spencer guides his clients with experience and insight, doing whatever it takes to ensure clients are making the best possible investment decisions for their lifestyle. He learned the ins and outs of the real estate industry through his previous role as a development, leasing, and marketing manager for Acropolis Development in New York, where he worked with both residential and commercial clients to broaden the company's market presence. Today, Spencer leverages his creative thinking to find the best solutions for every client, while tapping into his extensive network to make the right connections and deliver optimal results.

Spencer recognizes the emotional significance of buying or selling a home, which is why he strives to put himself in his clients' shoes in order to bring their distinct vision to life. Proof of his dedication and skill is evidenced by the top tier buyers and sellers he has represented, as well as by the numbers: In just the past 3 years, Spencer has helped over 75 valued clients begin a new chapter in life, and closed over \$45,000,000 in total sales volume.

Spencer is highly sought after for his extensive industry knowledge and is committed to helping you understand the market, protect your investment, and seamlessly navigate the purchase / sale process.

As a former marketing and communications professional, **Hilary Bubes'** transition to the real estate world stemmed from her love of the D.C. area, and helping clients discover that as well. Hilary's roots run deep as a third generation Washingtonian, and she currently resides in Logan Circle. What sets Hilary apart is her unique ability to leverage her marketing and public relations expertise, and local insight to help her clients navigate the home buying and selling process both seamlessly and successfully. Her extensive time developing concepts and strategies to win contracts for major brands such as Pfizer, Veterans Benefits Administration, and Swarovski pairs perfectly with real estate, which she to help clients win in competitive buying situations, and ensure her sellers' listings get the most exposure possible.

Hilary also brings her experience working with events, social media campaigns, and product launches across a variety of industries to tailor the right marketing strategy to every property she sells. It is this creative background that gives her the knowledge and understanding of what it takes to sell a home in today's rapidly changing market.

Over the years, Hilary has helped numerous families find their forever home, and transition into the next chapter in their lives, and prides herself on developing connections with every client she works with. She is passionate about understanding her clients' distinct preferences, and helping them discover the same appreciation for the city that she calls home.

Allie Fultz joined the District Spotlight Group in 2020 as its Operations Manager, playing a pivotal role in the team's marketing and management. Previously, Allie managed Kendra Scott's Washington, D.C. Georgetown location, leading a team of 20 staff members from the grand opening of the store, to years of successful day-to-day management of the store's business and events both on and off-site. Allie takes great pride in her attention to detail and dedication to making every client's experience with the District Spotlight Group a positive one,

going above and beyond every single day to provide transactional white glove service. She is from Shreveport, Louisiana, and graduated from the University of Mississippi with a Bachelor's Degree in Geological Engineering. In her free time, Allie enjoys keeping up with interior design trends, cooking, riding her Peloton, enjoying a nice cheese board paired with her favorite wine with her husband, Garrett, one-year-old son, Brooks, and Sheepadoodle Murphy

Paul's passion for real estate began at a young age, when he began working with his father, a contractor, and learned all about a variety of different home, building, and architecture styles. This intimate knowledge on what really goes into a well-built property has laid the foundation for Paul's journey into the world of real estate. He honed his skills working with some of the top real estate firms in the region, gaining extensive experience in marketing, negotiations, and client management. Combining his knowledge of building with a deep understanding of local market trends, Paul is committed to helping his clients accomplish their goals, whether they are looking to buy, sell, or invest in real estate. He takes a personalized approach to every transaction, taking the time to

listen to his clients' needs, offering guidance and advice throughout the process, and going above and beyond to ensure a smooth and successful closing. Paul's dedication to his clients has earned him a reputation as a trusted advisor in the industry, and he has been consistently recognized for his outstanding achievements.

When he's not working with clients, Paul enjoys exploring the outdoors, spending time with his family, and can even be found playing drums at local and national music venues. He is an active member of the community and volunteers his time and resources to local charities and founded his own non-profit Drum-Cycle.

Offering 8+ years of experience in the field, including real estate law and property management, **Emily** provides an advocacy for her clients that cannot be beat. Through involvement in professional associations and networks, Emily continues to grow her knowledge and network of resources on a regular basis. Having lived in various areas of DC as well as Northern Virginia, Emily has first hand knowledge of the different benefits our great DMV has to offer. Both personally with her own home and through her work, Emily has come across some great contacts along the way and loves introducing trustworthy contractors, mortgage lenders, and insurance experts to her clients.

Emily currently lives in Alexandria with her husband and son Fitz and is active in the community. Some of Emily's affiliations include the Northern Virginia Association of Realtors Grievance Committee (2019) , NVAR Young Professionals Network (2018-2019), Greater Capital Area Association of Realtors Young Professionals Network (2020), Chair of the City of Alexandria Community Criminal Justice Board (2017-2019) and Space of Her Own Mentor. Emily is a graduate of the NVAR Leadership Institute Class of 2018 and holds a law degree from American University Washington College of Law. When not working, Emily enjoys doing anything outside and exploring new restaurants.

Our Success in DC, Maryland, and Virginia

#1

Market share in
Metro DMV*

\$11.5B

Volume closed in 2022*

16.1K+

Number of buyers or
sellers helped in 2022*

1,762+

Number of DMV Agents*

18 Days

In 2022, Compass sold homes
faster with an average of 18
days on market compared to
the market average of 22
days.*

101.3%

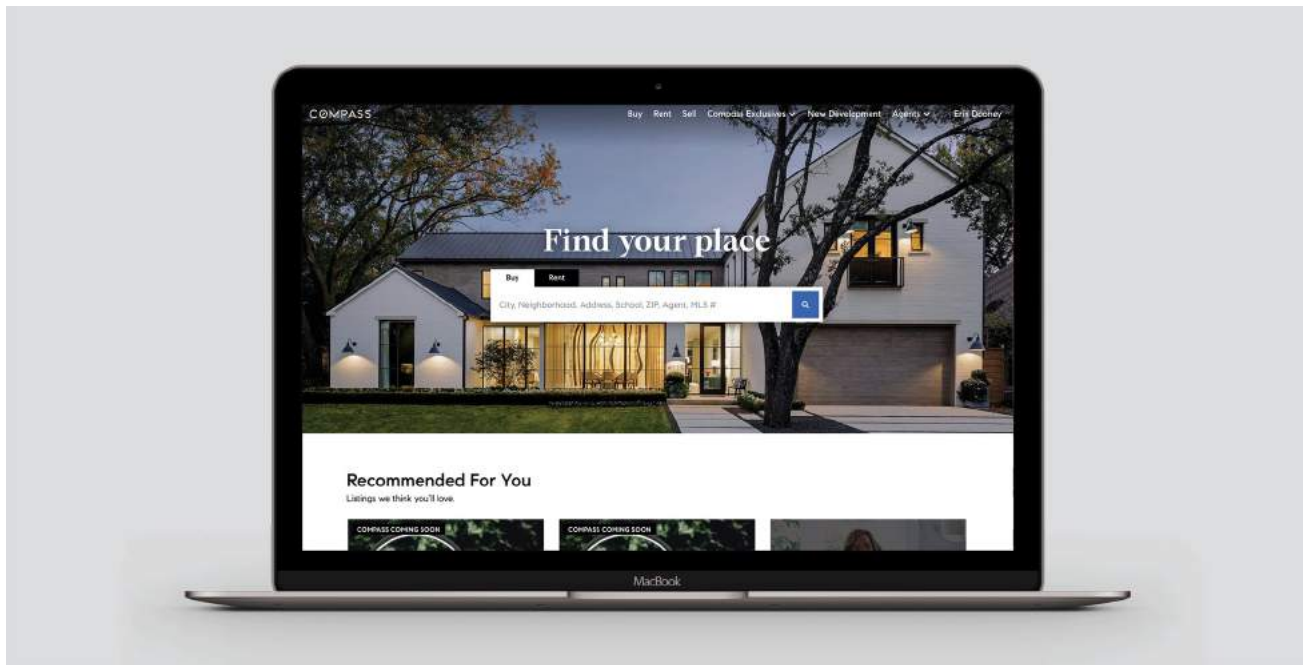
Compass sells homes for more
money. In 2022, our listings sold
for an average 101.3% of the
original asking price, compared to
the market average of 98.7%.*

*Source: Brokermetrics®, based on MLS data from BrightMLS, 1/1/2022-12/31/2022.

DMV Region includes Washington, DC, Montgomery, Prince Georges, and Anne

Arundel Counties in Maryland, Arlington, Loudoun County, Fairfax, Alexandria, Fairfax City, and Falls Church City in Virginia.

Everyone gets a first impression... Compass gets billions.



250M+

Annual website
and social media
impressions*

Digital Reach

Our digital
footprint
attracts potential
buyers to
your listing.

1.4M+

Annual unique
international users
on compass.com**

International Reach

Our website drives
international buyers
to homes like yours
through curated
presentation and
artificial intelligence.

150B+

2022 PR
Impressions***

Media Reach

Our in-house media
team works with top
publications to share
compelling narratives
about your home with
your target buyer.

*Sourced via Sprout Social and Google Analytics, 11.2020–12.31.2020.

**Sourced via Google Analytics, 11.2020–12.31.2020.

***Sourced via Meltwater, 11.2021–12.31.2021.

Glossary and FAQ's

Down Payment

This is what you as a buyer will be putting down in order to make the purchase, with the remaining funds required being the loan you're obtaining and any closing costs you're responsible for.

Earnest Money Deposit

This is a deposit held by the Title Company, deposited once an offer is accepted. Its purpose is to show your level of seriousness. These funds are in no way additional to what you've agreed to pay, but rather essentially a credit towards your down payment. If the contract is voided through a contingency (not breached) then you will get your deposit returned.

Title Company

They are the middleman in the transaction coordinating the transfer of funds between parties, and conducting internal due diligence on the property, including a title search and examination, researching the plat, and assisting with title insurance. The buyer gets to select the company, and they will be the party that is holding the earnest funds, which will be released at settlement. We always suggest one with multiple lawyers in-house.

Offer

An offer is a proposal to purchase something for sale. An offer typically includes a purchase price, initial deposit, financing terms, a preapproval letter (if you are financing), contingencies, among other things. A seller can accept your offer, reject your offer or make a counter-offer stating what they'd like to change.

Contingency

A contingency clause in a real estate contract is a condition that needs to occur in order for the contract to move forward. Some contingencies give parties the right to negotiate contract items further, or back out of the contract.

Home Inspection / Inspection Contingency

A home inspection is a thorough examination of a home, designed to identify material defects in the property. The home inspection contingency gives a purchaser the right to make their offer contingent on performing an inspection to either negotiate on repair items, or cancel the contract. Sometimes buyers will complete a home inspection prior to submitting an offer, what is referred to as a pre-offer inspection, in an effort to be more competitive when submitting their offer.

The standard home inspector's report will cover the condition of the property, including the heating and cooling systems; plumbing and electrical systems; the roof, attic and visible insulation; walls, ceilings, floors, windows and doors; the foundation, basement and structural components. Other optional inspections include radon, septic, lead paint, mold, wood-destroying insects, etc. We will advise you on a case by case basis whether we think they might be worthwhile.

Financing Contingency

If this provision is a part of your contract, then your ability to purchase the property you're pursuing is contingent on you obtaining financing. We include a deadline in the contract by which your bank / lender must provide a conditional commitment letter stating that you qualify for financing. If a commitment letter is not delivered by the lender to the Seller by the written deadline, then the buyer can walk away from the contract during the contingency period if they are denied financing by the lender.

Appraisal & Appraisal Contingency

After your offer is accepted, your bank / lender will hire a third-party appraiser to evaluate the property you are purchasing in order to approve your loan. The loan will never be written based on an amount that is greater than the appraised value of the property. If the property does not appraise for at least the agreed upon purchase price, the contract price can be

renegotiated if you made the offer contingent on the appraisal. If your offer is not contingent on appraisal, you'll be required to make up the difference in cash.

In our area, appraisers look at a variety of factors to determine the appraised value such as past comparable properties sold, neighborhood, zone, lot size, square footage, utilities, upgrades, bedrooms, bathrooms, deck, parking, supply and demand.

Escalation Clause

An escalation is a tool for buyers who are likely going to be competing with other offers for a property. An escalation clause allows a buyer to be competitive without overextending their offer, giving the buyer the ability to increase their offer at set increments, up to a certain point, in order to try to beat out higher priced offers.

Home Sale Contingency

A home sale contingency gives the buyer a specified amount of time to sell and settle on their existing home in order to purchase the new one. This type of contingency protects buyers because the purchase itself depends on the proceeds from the sale of the previous home being available for use on the new home they are purchasing, giving buyers an out if their existing home does not sell.

Condo, Co-op & Homeowners Association (HOA) Review Period

If the property is part of a condominium, co-op or homeowner's association (HOA), you will have the right to review the association's documentation which includes the rules & regulations, financial information, bylaws, special assessment information, what the fee covers, etc. Your review period varies based on the jurisdiction. If you don't like what you read, you have the option to void the contract.

Property Disclosures

These documents largely include the seller's knowledge of the home during their time living in / owning

the property. These statements are required by law in most areas. Virginia is referred to as a "buyer beware" state, which means a seller does not have to proactively disclose any problems with the home, and it's up to the buyer to conduct their due diligence.

Special Assessment

This is an extra fee that a condo, coop or homeowner's association issues above and beyond the base association fee. This is determined during association meetings, can be found in meeting minutes, and must be disclosed by the seller.

Home Warranty

Think of a home warranty as an insurance policy for appliances and home systems, such as HVAC or plumbing, sometimes extending to cover things like a home's roof or structure. They can be purchased by a variety of third-party warranty providers.

Closing Costs

Closing costs include a variety of expenses and fees, including a portion of the transfer and recordation tax, the buyer's title search, title insurance, a portion of pre-paid property taxes, lender costs, and some upfront housing expenses like homeowner's insurance. Closing costs are a great thing to ask your lender about, and tend to be around 3% of the purchase price.

Property Tax Assessment

Tax assessed values are used only by the property tax authority of your county or municipality in order to bill you properly. Generally, the assessor does not enter the home for this process. The value is usually lower than the Fair Market Value or appraisal.



Let Us Guide You Home

The Home Buying Process



1.

Meet with Your Agent

Being your trusted real estate advisor is our #1 priority. We're here to help you understand the market and help you understand the buying process.



2.

Financing 101

The big question is, how much are you able to afford? If you're financing your purchase, the first step is speaking with a lender. A common misunderstanding is that a home's list price and what you see online as the monthly payment determines whether or not you can buy it. This is not the case. An initial call with a lender is meant to be informative and will help us determine your buying power.

A lender should walk you through what to expect to owe in closing costs, what goes into your monthly payment, and annual expenses including annual property taxes and homeowner insurance

A bank / lender will generally require you to fill out a simple loan application, requiring your basic financial information, copies of recent pay stubs, bank statements, past W-2s, and a credit check. If you need an introduction to a mortgage advisor, we have a list of excellent, reputable lenders and can happily provide the connection.



3.

Review the Market & Visit Properties

Now that you have a sense of your budget, it's time to discuss your vision and home criteria so we can start keeping a pulse on the market for you and curate a Compass Collection that specifically meets your needs. At this point, you'll start to get a better sense of the neighborhoods you're interested in, and what kind of inventory they offer.

We will schedule private showings for homes you're interested in touring, and you can supplement your search by attending public open houses on the weekends. You will begin to narrow down your search after finding home characteristics you love, and the more you see, the better an idea you'll get of what you want! We love to position our clients to tour homes in the Compass Coming Soon category, as well as our Private Exclusive listings, as it can be a great way to avoid competition.



4.

Making an Offer

Once you've found a home you'd like to move forward with we will review property disclosures, review comparable properties and gauge the level of competitiveness. Next, we'll discuss different strategies and contingencies. We'll review the contract and terms at length to make sure you are fully confident with you direction. Our goal is to help you put your best foot forward by guiding you through putting together a compelling offer.

What goes into making an offer:

- Purchase price
- Earnest Money Deposit
- Financing terms
- Contingencies
- Settlement date
- Settlement company



5.

Congratulations, Your Offer Was Accepted!

Once your offer is accepted, the contract will be considered ratified and the listing will be considered "under contract." Our operations team will send you a detailed email with all the next steps, a copy of the ratified offer, and all-important due dates and deadlines.



6.

Leading Up to Settlement

There are services you may require once a contract is ratified (home inspection, termite inspection, specialized contractor opinions, etc.), and we can happily provide you with our professional recommendations for these, as well as assist you with coordinating any of these services. Our team and title attorneys can also assist with reviewing property boundaries, neighborhood zoning, and all documents associated with condominiums, co-ops, and homeowners' associations if you have any questions.



7.

Final Walk Through

During your final walkthrough, we will re-visit the property to ensure it's in proper condition per the contract, and ready to change ownership at settlement.



8.

Closing

Once you're finished signing, you'll receive a copy of all closing documents and the keys to your new home! You've crossed the finish line – it's time to celebrate!

What Might You See In A Competitive Market?

When you select a property, we'll discuss the best way to move forward, but generally speaking below are things you might see.

Strong Financing

In a competitive market, you'll sometimes see higher down payments and at times, all cash offers.

Using a Reputable Lender

In a competitive market, listing agents often urge their sellers to work with reputable lenders that they've worked with before because it directly correlates to their confidence in a deal going smoothly. A lender's ability to move quickly and meet deadlines is crucial.

Putting Down a Competitive Earnest Money Deposit

We'll discuss the best strategy for your specific situation but in our market one typically puts down 3-5%. In competitive situations, buyers often will put down more than 5%.

Offer Above List Price & Escalation Clauses

You'll usually see one or both of these in a competitive offer situation. We'll discuss what makes the most sense for you.

Offer Deadlines

An offer deadline means the sellers intend to review all offers at a specific time, and make a decision shortly after.

Accommodating the Sellers Closing Timeline

Accommodating the seller's closing timeline may entail a quicker close, rent back, or longer more drawn out closing period.

Removing Contingencies

Buyers will often waive contingencies in competitive situations in order to increase the strength of their offer.

If you're writing an offer on a HOA or Condominium or Cooperative, the Document Resale Review Period cannot be waived, but all other contingencies can.

If you're not comfortable waiving the home inspection contingency but want to be as competitive as possible, we can discuss conducting a pre-offer inspection.

Letters to Sellers

When you're touring the home, take mental note of things that might stand out in a letter – adding a personal touch to an offer can go a long ways.

Important Questions for Your Lender

1. How much time do you generally need from contract ratification to getting the keys to your new home at settlement?
2. Based on how much money I'd like to put down, what kind of interest rate would I get?
3. What is the breakdown of closing costs?
4. Do I qualify for any tax incentives? i.e., homestead, mortgage interest deduction, transfer and recordation tax discounts, tax abatement.
5. What is Private Mortgage Insurance (PMI), and how does it work? Do I have any options with PMI?
6. Do I qualify for any assistance programs?



Mortgage / Down Payment Assistance Programs

FHA Loan

The Federal Housing Administration (FHA) allows down payments as low as 3.5% for those with credit scores of 580 or higher. The FHA will insure loans for borrowers with scores as low as 500 but requires a 10% down payment for a score that low. Mortgage insurance is required for the life of an FHA loan and cannot be canceled.

Washington, D.C.

The DC Homestead Deduction

provides valuable savings when it comes to what amount of the assessed value for your property is taxable. Currently, the property tax rate is \$0.85 per \$100 in DC which means that .0085 of your property's assessed value must be paid as a tax. However, if you are eligible for the DC Homestead Deduction, your property's assessed value is reduced by \$74,850.

DC First Time Homebuyer Tax Credit Tax credit available to qualified individuals. You can verify eligibility based on your income with your lender. If you are eligible, it will lower the recordation tax on the sale of single-family homes / row homes and condos to 0.725%.

For the sale co-ops, the recordation tax rate is reduced from 2.2% to 1.825% for units under \$400,000, and from 2.9% to 2.175% for units \$400,000 or greater (there is no transfer tax).

DC Open Doors

This program offers mortgages at below-market interest rates for home buyers in D.C. Qualified borrowers may be able to get assistance for their entire minimum down payment amount (3%). Assistance is provided

in the form of a deferred, non-amortizing zero-interest loan. No repayment is required until the borrower refinances the mortgage, sells or transfers the home, establishes another primary residence or 30 years has passed since the closing date. Though you don't need to be a first-time home buyer to qualify, you can't own another home at closing.

Home Purchase Assistance Program (HPAP)

This program has a number of restrictions, but gives eligible first-time home buyers up to \$84,000 in combined down payment and closing cost assistance based on their income. These funds are provided as a no-interest loan, with no payments required for the first five years. Immediate repayment of the remaining balance is required if the borrower sells or refinances the property, or stops using it as their primary residence.

Employer-Assisted Housing Program (EAHP)

Offers eligible District government employees a deferred, 0% interest loan and a matching funds grant for down payment and closing costs to purchase a first single family home, condominium, or cooperative unit in the District : Maximum loan amount to \$20,000. An increase in a matching funds grant to a maximum \$5,000

Mortgage Credit Certificate (MCC) Talk to your bank / lender about using this program. First-time home buyers who haven't owned a house in the past three years can use this program to get a tax credit of up to 20% of their annual mortgage interest. The first-time homebuyer requirement may be waived for veterans or those who purchase in certain areas of Washington, D.C. The MCC can be used by itself or in combination with a DCHFA oan program.

Maryland

Maryland Mortgage Program (MMP)

MMP offers a wide variety of products that are designed to help buyers achieve affordable homeownership. Some products focus on offering a low rate and reduced mortgage insurance coverage to keep the monthly payment low. Other products are designed to help with the down payment and closing costs. Generally speaking, when you are receiving down payment assistance (DPA) there will be a higher interest rate.

Moderately Priced Dwelling Unit (MPDU)

(MPDU) Program offers affordably priced townhomes and condominiums – both new and resale – to first-time home-buyers who have a moderate household income.

Virginia

Virginia Housing Development Authority (VHDA)

VHDA has a wide variety of products designed primarily for first-time buyers, but some products allow for repeat buyers. Some products are designed to lower the monthly payment, others to lower cash to close. Down Payment Assistance (FHA or Conventional)

- VHDA Plus Second Mortgage – down payment and closing cost (where possible) assistance loan for eligible 1st time homebuyers, loan and sales price limits apply
- VHDA Down Payment Assistance Grant – 2%/2.5% DPA grant
- VHDA Closing Cost Assistance Grant – CCA grant for USDA or VA at 2% grant



Condos vs. Co-ops

Condos are real property and cooperatives are personal property. When you purchase a condo unit, you are purchasing your unit and the right to use the common spaces, and you become a member of the condo association. It's fairly straight forward and you will abide by the rules and laws of the association.

When you purchase a co-op unit, you are purchasing stock / shares in a privately held non-profit corporation which holds title. As a stockholder, you are leasing the apartment from the corporation in which you are a part owner. The number of shares owned is dictated by the size of the unit, and the corporation technically owns the building and the land, and is collectively owned and managed by its occupants.

Co-op fees include property taxes (generally lower due to their non-profit status), and typically some or all utilities. Additionally, many co-op fees will include an underlying mortgage that exists either from the original financing of the building, or from a mortgage that was taken out to fund improvements. The corporation takes on the debt, and each owner pays some portion every month, proportional to the size of their unit. The taxes and interest on this underlying mortgage are tax-deductible, and when a buyer purchases the unit, they can deduct the total amount of the underlying mortgage associated with that unit, from the purchase price. Because of the underlying mortgage, and included utilities, the monthly fees tend to be higher.

There are likely to be fewer investor units in co-ops projects than in condominium projects since D.C. Co-ops also require special lenders, so if you're looking to buy a cooperative we'll make sure you're connected with a lender that can assist.



Type of Agency Representation

SELLER AGENT

Agent Represents Sellers



Seller



Agent

The agent represents the best interests of the seller. Agent will give the buyer honest information about the property so that buyer can make an informed decision and will keep all conversations in confidence.

BUYER AGENT

Agent Represents Buyers



Agent



Buyer

Agent represents the best interests of the buyer. Agent will give the seller honest information regarding the buyer and will keep all conversations in confidence.

DESIGNATED REPRESENTATION

Each Agent Represents Their Clients



Seller



Agent



Agent



Buyer

DC Only: A supervising broker works for the real estate firm to help manage the process of designated representation and represents both the buyer and the seller. The supervising broker must not disclose confidential information.

DUAL AGENT

Agent Represents Buyers



Seller



Agent



Buyer

MD: Agent represents one party but can write and offer on behalf of the other. Agent has a fiduciary to the client but the customer is still owed fairness and honesty. Agent will keep all parties' information and conversations confidential.

DC: Agent represents both partners equally.

VA: If an agent works with both parties, they treat both parties equally and are technically a transaction manager.

Buyer Agency Agreement

A buyer Agency Agreement is an agreement between a homebuyer and their real estate agent and the agent's broker when purchasing a home. A Buyer Agency Agreement

outlines duties and obligations of the agent and also protects a buyer by obligating the Agent to represent their best interest. Without an agency agreement, the agent works for the seller. As a team, we want you to be happy with our services

and work hard every day knowing, we agree to terminate the contract at anytime at your request. I want you to be happy so I put a clause in that allows the termination with one day's notice without any penalty.