

## Eight Steps Towards A New Home

- **1 - Decide to purchase.**

There are many good reasons why it's beneficial to buy a home. Wealth building is one of them; perhaps the most important. The financial benefits of owning a home include value appreciation, equity accumulation and taxable income reduction. Before you decide to buy a house, think about these things. Make your decision based on facts, not hopes or fears.

- If you are currently paying rent, you are also financially capable of paying for a house of your own.
- Don't wait for the perfect timing. There is never a bad time to buy a good house. What you need to do to prepare is find a good deal and ensure that you have a steady source to keep on paying for the house.
- Do not lose hope if you do not have enough cash for down payment.
- Don't worry if your credit score is not perfect. It won't stop you from buying your home.
- The first step towards owning your dream house is to purchase it now.
- Buying a new house should not give you trouble. There are professional agents who can help you.

- **2 - Hire a professional agent.**

In the process of looking for a house, inspecting it, applying for a loan and closing the deal, you will need the help of several professionals - insurance assessors, mortgage brokers and underwriters, inspectors, appraisers, escrow officers, buyer's agents, seller's agents, bankers, title researchers and probably more. Coordinating with all these professionals is one of the tasks of your real estate agent. Their major responsibility is to protect your interest as a buyer and as their client. Their main roles are the following:

- Educating you about your market.
- Negotiating on your behalf
- Analyzing your wants and needs.
- Guiding you to homes that fit your criteria.
- Coordinating the work of other needed professionals.



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- Checking and double-checking paperwork and deadlines.
- Solings any problems that may arise.

One of the keys to finding a good home without hassle is through a good agent. More than a good resume, they need to have a good track record and a good reputation. They should be effective as an agent. Here are eight good questions to ask an agent before hiring their services.

- What compelled you to become a real estate agent?
- Why would I want to work with you?
- What sets you apart from other real estate agents?
- What are the things you will do in order for me to find the home that I want?
- What are the common problems encountered in real estate transactions and what will you do to avoid or fix them?
- What are the common mistakes that people make in buying their first house?
- What other professionals do you suggest we work with?
- Are you able to provide me with testimonials from previous clients?

- **3 - Secure financing.**

Thinking about owning a home is exciting. But when you continue with the process and think about the financial aspect, you will start to feel nervous. The thought of taking on a mortgage can be intimidating. It can be confusing and it's a long-term commitment. Here are 6 steps that can help you understand the procedure.

- Choose a loan officer (or mortgage specialist).
- Complete a loan application and get pre-approved.
- Think of what you want to pay and choose a loan option.
- Submit to the lender an accepted purchase offer contract.
- Get an appraisal and title commitment.
- Receive funding at closing.

- **4 - Finding your home.**

Most people think that this part of the process starts with looking around. A lot of people will agree that this is the most exciting part of the journey. However if you have been doing this for quite a long time, the excitement will start to wane. To avoid unnecessary disappointments and wasted time, start by



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thinking about these things - the things you value, things you need and things you want; now and in the future. As you ponder on these things, you can use these questions as guides:

- What do I want my home to be near to?
  - How big do I want my house to be?
  - Which is more important for me? location or size?
  - Am I interested in a fixer-upper?
  - How important is the property's potential value appreciation?
  - Is a good neighborhood important for me?
  - Am I interested in a condo?
  - Do I want new home construction?
  - What features and amenities do I require?
- **5 - Make an offer.**

Making an offer should be done with a cool head and a realistic understanding of your market. There are three basic components in making an offer: price, terms and contingencies.

- Price - When you make an offer, the true market value of the property should be considered. Your agent should be able to educate you on this.
- Terms - they refer to financial and timing factors that can be involved in the offer. These terms can be:
  - Schedule - a schedule of events that has to happen before closing.
  - Conveyances - the items that stay with the house when the sellers leave.
  - Commission - the real estate commission or fee, for both the agent who works with the seller and the agents who works with the buyer.
  - Closing costs – it's standard for buyers to pay their closing costs, but if you want the costs to be included into the loan, you need to write that into the contract.
  - Home warranty - this covers repairs or replacement of appliances and major systems. You may ask the seller to pay for this.



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- Earnest money – this protects the sellers from the possibility that the buyer might cancel the deal and makes a statement about the sincerity of your offer.
- Contingencies – things that need to happen for the transaction to continue.
- **6 - Perform due diligence.**

Once you buy a property, you can't simply return it if something is damaged. Property inspections and good homeowner's insurance are both very important. If you're covered under a home insurance plan, it can protect you in case of loss or damage on the property. It can also protect you financially against liability in case people got injured while they were on your property.

Property inspections can detect problems that you might not see. A thorough home inspection can expose damages that are not readily seen or noticed. Your biggest concern should be structural damage. Minor damages can be repaired. If through the inspection, a potentially severe problem comes to your attention, ask a specialist to check on it. Depending on the extent of the problem, you might not want to push through with the sale.

- **7 - Closing the sale.**

The last stage of the home buying process is the lender's confirmation of the property's value, legal status and your continued credit-worthiness. This involves survey, appraisal, title search and a final check of your credit and finances. Your agent will inform you of updates. Here are a few things you can do:

- Stay in control of your finances.
- Return all phone calls and paperwork promptly.
- Communicate with your agent regularly.
- Several days before closing, double check with your agent that all your documentation is in place and in order.
- Acquire certified funds for closing.
- Conduct a final walk-through.
- **8 - Protect your Investment.**

After the deal is closed, your agent can still help you with the following:

- Find professionals you might need for home repairs and maintenance.
- Take care of your first tax return as a homeowner.
- Monitor the market value of your home.



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- Help your friends search and buy properties.

Taking care of your house means taking care of a good investment. A property that is well maintained adds to the value of your property. If you fix damages before they get worse, it will save you money in the future.



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