



COLDWELL BANKER
REALTY

UTLIMATE GUIDE TO HOME-OWNERSHIP

Courtesy of Rachel Bodner



RACHEL BODNER
REAL ESTATE
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WELCOME AND THANK YOU FOR REQUESTING MY ULTIMATE GUIDE TO HOME-OWNERSHIP!

Most Buyers who begin the process of looking for a home begin the journey filled with excitement and a bit of trepidation.

This is understandable when you consider that purchasing a home is one of the biggest financial decisions you will make during your lifetime.

Not only do I understand this, I believe that home ownership is something that you can be proud of and I will work to make your home buying process as pleasurable as possible!

Whether this is your first home or you have bought and sold many, I hope this guide will help you to better navigate the home Buying process, specifically in Massachusetts, since it is different from most other states.

Let's get started on the journey of getting you the home you want!



TOP TEN REASONS TO BUY A HOME:

- **Quality of Life** - Home ownership is part of a better quality of life for most buyers. The quality of our living situation directly impacts how we feel.
- **Avoid the Tax Man | Tax Deductions** - Buying a home helps you avoid the tax man with tax deductions for both mortgage interest and property taxes. Property taxes and qualified interest are deductible on an individual's federal income tax return.
- **Spend Money to Make Money** - With the right real estate consultant, home ownership and the potential for appreciation means that ultimately you have the opportunity to get a return on your investment.
- **Deferred Gain and Capital Gain Treatment** - A homeowner can exclude up to \$500,000 of capital gain tax if married and filing jointly or up to \$250,000 if single or filing separately when you sell your home. The home must have been the taxpayer's principal residence for the previous two years.
- **Principal Accumulation** - As a homeowner, a portion of each amortized mortgage payment typically goes to principal, which in the long run is an investment.
- **It's The American Dream** - Owning a home is THE American Dream. I work with many first time home-buyers and it truly is a dream come true for them.
- **Independence** - For many homeowners, one of the greatest freedoms is acquired through home ownership. They can get rid of their landlord and are no longer surrounded by neighbors in an apartment with thin walls. The freedom to do whatever they wish with their homes is a big incentive for many new homeowners.
- **Leverage** - At the current interest rates, you can put your money to work somewhere else. These days you can still purchase a home for as little as 3.5% down.
- **Why rent when you can own?** The cost of renting at \$3000 a month for 10 years is \$360,000. (This does not include the average 6% rental increase per year that many landlords charge). Also most landlords will require first month, last month plus a security deposit and a realtor's fee each equal to one month's rent upfront. That is a lot of money that could have been invested in a home which in most cases will appreciate many times considerably over a 10 year period.



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THESE 5 BUYING TIPS WILL SAVE YOU TIME, MONEY, AND HEADACHES:

- Get Pre-Approved – before you can seriously consider purchasing a home, it's important to know exactly how much you can afford. This can be the scariest part of the buying process for some. It's perfectly natural to be nervous, but we can put you in touch with someone you can trust to help get you pre-qualified.
- Always Think Resale – In the US, due to the mobility of our economy, the length of ownership is about 5 to 7 years. This is important to keep in mind when looking for your next home. For instance, homes backing up to a busy street or railroad sell for less, and take longer to sell than other homes in the neighborhood.
- Aesthetics Can Be Changed – flooring, light fixtures, plumbing, paint colors and wallpaper can all be changed. Don't let the lime green wallpaper turn you off of your potential dream home. Think of how much fun it will be to make a home yours!
- Don't WAIT! – too often we have seen home buyers fall in love with a property, wait a few days to make a decision because they are nervous, and the home that they fell in love with SOLD! If you love the home, don't wait for someone else to live in YOUR home – be prepared to write an offer!
- Compare Sales – to determine the best price to offer, or to know if the asking price is correct, I will look at the recent sales of similar homes, called "comparable sales." Comparable sales are recent sales of homes that compare closely to the one you are looking to purchase, usually sold in the past few months. Specifically, you want to compare prices of homes that are similar in square footage, garage spaces, number of bedrooms and baths, lot size, etc. Let me help you with a Buyer's Market Analysis.



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WHY HIRE A BUYER'S AGENT:

As a BUYER'S AGENT my fiduciary duties are to my Buyer Clients which means that I look out for their best interests throughout the entire process and this does not stop when we find a home. When choosing to work with me you will benefit from my 25+ years of experience in negotiating and researching properties as well as my quick response and strong communication skills. My Buyers are kept up to date throughout the process and obtain all the information available to make an informed decision. In addition, I share my list of qualified and experienced professionals, if needed, such as Mortgage Agents, Real Estate Attorneys, and various Tradesmen. These Professionals will also have many years of experience and have received positive feedback from past Buyers.



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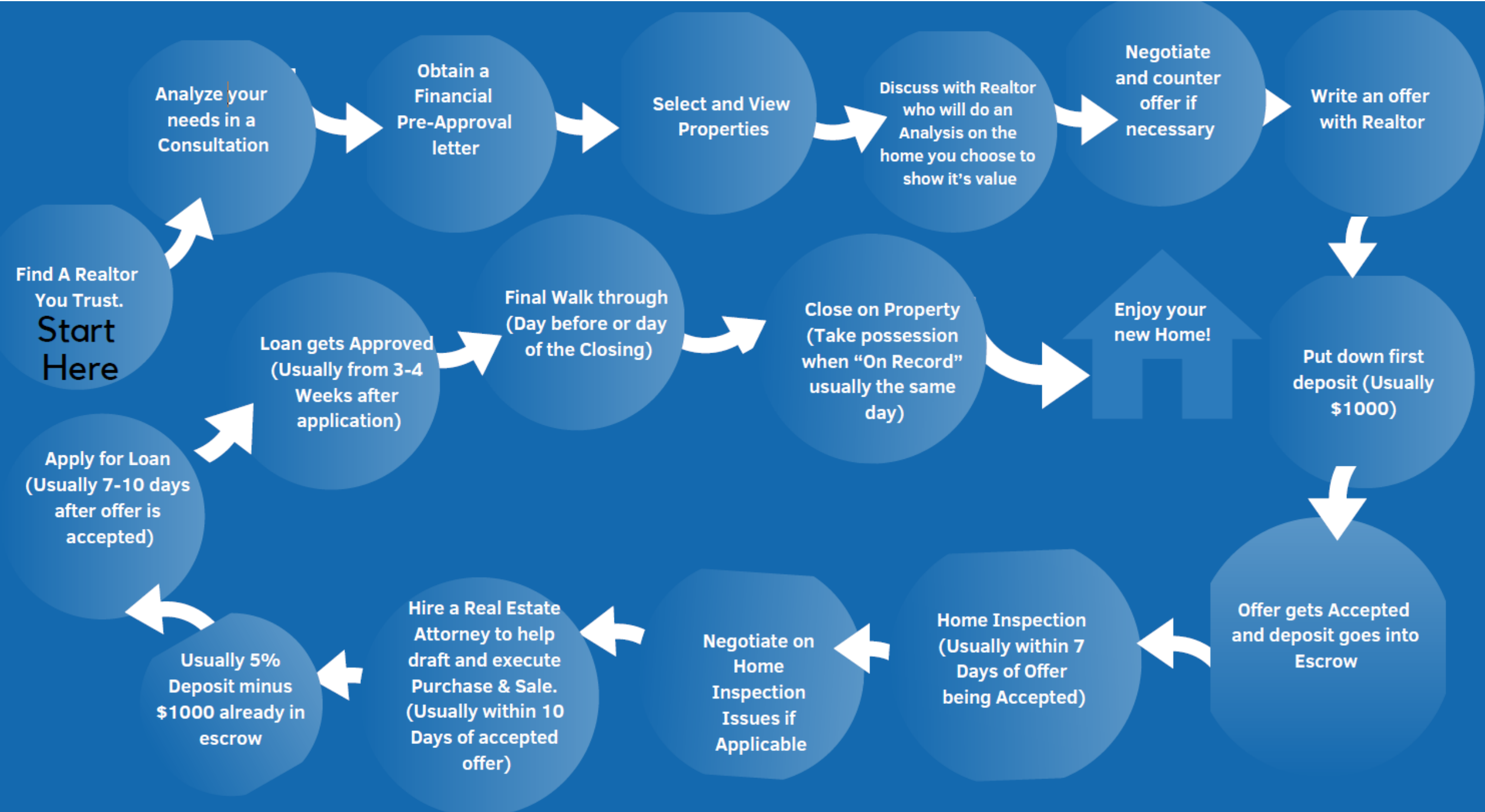
HOME BUYER'S TIMELINE:

The timeline and process is slightly different in Massachusetts than in most other States. I have been asked by many Buyers about the average amount of time that it takes from offer to close in Massachusetts. The average tends to be a two-month window, but the closing can happen in a matter of a few weeks if a cash deal, or longer than the 2 months if both Buyer and Seller agree to a later close date.



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THE HOME SEARCH BEGINS:

Most Buyers choose to start their home search online. This can be helpful when getting to know the market, however, there are many major sites that do not display the most up to date information. It will be helpful to have a search set up that is tailored to your needs that will give you up to the minute information on the homes in your search criteria. Many of the major sites out there are not updated regularly and take time to download and, therefore, you could miss a house simply because you were not getting the most up to date information. If you would like to set up a home search tailored specifically to your needs through the MLS which is the most up to date, let me know the criteria and towns and I will get it going for you.

Once I start to get to know what you are looking for, I will keep an eye out for properties that are coming on the market that could suit your needs. My company, Coldwell Banker Realty, has the largest market share in the Metro West and other areas of the Boston Suburbs and many times we get information on homes before they come to market. I specifically seek out my colleagues in multiple offices to see if they may have a home that has not yet come to market that could work for one of my Buyer Clients.

I am always happy to plan time to see homes with you and give my opinion of value. Viewing homes with a Realtor is a much more efficient and valuable way to find a home rather than only attending open houses as many Buyers tend to do.



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THE OFFER TO PURCHASE:

Now that you have found your home it is time to put in a written offer. The offer in Massachusetts consists of a two-page document and will spell out not only the offer price and closing date but also the terms of the sale including other important dates such as the Home Inspection, Purchase & Sale, and the Mortgage Contingency. The offer then becomes null once the Purchase & Sale is executed, approximately 10 days later, and includes everything in the written offer as well as results from the Home Inspection if necessary and other information that both the Seller's Attorney and Buyer's Attorney will add to protect their clients.

As a BUYERS AGENT, the first thing I will do is make sure that all information in the listing is correct by going to the town or online to obtain a data card. The data card shows all information that the town has on the property and should be the most up to date, however, it is not always the case. The information I will look for may also include any easements, permits pulled, a plot plan, Title V if it is private septic, to name a few.

Next, I will put together a Comparative Market Analysis on the home (much like the one I would do if you were selling your home) so that you can see what is Under Agreement or has recently Sold that is comparable. This will allow us to know if the pricing is reasonable or not so we can determine an offer price. I also will contact the Listing Agent and see if the Seller has a specific closing date that works for them. If you as a Buyer can accommodate, the Seller may be more apt to give in on price. I will not, however, let the Seller's Agent know that I have an offer until it is completed so as to give the Seller's Agent less time to call other interested parties.

The typical deposit in Massachusetts is \$1000-\$5000 at the time of the offer and then 5% of the purchase price minus the deposit that was already given at the offer at the Purchase & Sales.



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THE HOME INSPECTION:

Most Home Inspection contingencies allow for the Home Inspection to take place within 7-10 days of the offer. This date will be stated clearly on the offer and it is the date that you as a Buyer will need to get back to the Seller to let them know of any issues that you may want the Sellers help with. Home Inspections should not be used to get a lower price on the home, but they could be used to bring up safety issues or larger issues that you were unaware of at the time of the offer.

Many times, but not always, the Home Owners will fill out a Seller's Disclosure on the property and disclose issues with the home in addition to other information. The Seller's Disclosure is not mandatory in Massachusetts but if available should be signed by both parties at the time of the offer and acknowledges that the Buyer has read the report and understands the issues. The items on the Seller's Disclosure are usually not items that the Seller would be willing to fix because they were disclosed up front. As a Buyer, you should keep these issues in mind when making your offer.

A Home Inspection is a great time to learn all you can about the maintenance of the home since the Inspectors are knowledgeable about the home's systems and the best ways to maintain them.



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HIRING A REAL ESTATE ATTORNEY:

In Massachusetts, most Buyers will secure a Real Estate Attorney to represent them with their purchase. In many other States, Title Companies are hired to assist and close the sale. The Attorney replaces the need for a Title Company in Massachusetts.

Since the offer process in Massachusetts is two steps, first with the written offer, and then the Purchase & Sale document, it is usually at the point prior to the Purchase and Sale or the Home Inspection that a Buyer will secure a Real Estate Attorney to represent them if they have not done so already. The Purchase & Sale is drafted by both the Buyer's and the Seller's Attorneys each adding verbiage to protect their client. The fee is usually a flat fee on average running between \$400-\$1200 and is normally not paid until the closing. If the Attorney can also represent your bank or Mortgage Company, the fee should be on the lower end of the range since much of the work will overlap.



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THE PURCHASE AND SALE:

The Purchase and Sale, or P & S for short, is a multi-page document executed about 10 days from the Offer or approximately 3 business days after the Home Inspection Contingency. Both the Buyer's and Seller's Attorneys will work together to draft the document and each will add verbiage to protect their Clients.

All information from the Offer and from the Home Inspection, if applicable, will be included in the document. The Purchase & Sale now takes the place of the original Offer.

The second more substantial deposit will be due at the time of signing and that amount is usually 5% of the purchase price minus the \$1000 already paid. For example, if a Home costs \$500,000 the P & S deposit would be \$24,000 ($\$500,000 \times 5\% = \$25,000 - \$1000 = \$24,000$). This amount should be readily available when you submit the offer since it will be due in approximately 10 days. It is certainly possible and could be appropriate to put down less if necessary, but most Sellers will want a good reason since 5% is the norm.

Many Buyers ask if there is a formal meeting with the Sellers to sign the Purchase & Sale document. The answer is no. The Purchase & Sale is first signed by the Buyer and then given to the Seller (through the Agents or Attorneys) for the Sellers signatures. The 2nd deposit check is also delivered at that time.

It is important to go over the Purchase & Sale with your Attorney prior to signing since it is a more complicated document to understand versus the offer. The P & S can be signed at the Attorney's office or your Realtor's office, or usually these days will be signed electronically through companies like Doc-U-Sign or Dot-Loop.



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THE FORMAL MORTGAGE APPLICATION:

Now that you have secured your home and gone through the Home Inspection, it is time to submit a formal application for a mortgage on the specific home you are purchasing. Many people will have already started this process with the pre-approval but the pre-approval is not the formal application.

The “application date” will have been stated in your offer and it is the date that you submit your formal application to the lender of your choice. This Lender may or may not be the lender of which you received your pre-approval. Many people will shop around once they have an offer accepted while others may have done that prior to receiving a pre-approval letter. It is important to make sure you stay with a reputable Lender with a good track record of closing loans on time as well as good customer service. In general Lenders need approximately 4 weeks to secure a loan although that can vary and many companies can make it happen much quicker if needed!

Lastly, you must make sure your formal application date matches the date stated on your offer or have your Attorney receive an extension from the Seller's Attorney. This is necessary because if for some reason you were not able to obtain your loan by the mortgage commitment date stated in the Purchase and Sale, you could be placing your deposit in jeopardy should the Seller not be willing to grant an extension. If you stay within your stated windows this should not be an issue.

I am happy to share my list of Lenders that offer competitive rates and great customer service. These Lenders are local and have been tested with many Buyers and have consistently proven to get positive results.



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THE MORTGAGE COMMITMENT:

The Mortgage Commitment Date is the date that you have committed to receive your full approval from your Lender. It is important to stay on top of this date to ensure you receive your commitment letter by the date stated in the Purchase & Sale. It doesn't hurt to check in with your Lender as this date is approaching to make sure you are on track.

If for some reason the Lender is not able to obtain your commitment by the specified date your Attorney will need to ask for an extension to protect your deposit. Most Sellers will grant the extension which is usually a matter of days. If for some reason the Seller refuses, then your Attorney would request your deposit back and the deal would be over. It is important to stay within the previously stated windows or have your Attorney request any extensions needed in order to avoid putting your deposit in jeopardy.



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CALL LOCAL UTILITY COMPANIES:

As you are nearing the closing date, you will want to let the local utility companies know when you are planning to close on your new home. This is important so that service remains uninterrupted especially the heating and electricity. If your home is heated with oil, this would be a good time to contact local oil companies to shop around for a price. Many will let you lock in a rate.

I provide my Buyers with a list of all the local vendors in the town in which they are buying to make this process easy.



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THE FINAL WALK-THROUGH

The final walk through usually takes place the day before or the day of your closing. It is a walk-through of the home with your Buyer's Agent to make sure everything looks in order and is as it was at the Home Inspection. If any items were supposed to have been fixed by the Seller, this would be the time to check them if you haven't already.

The house should be "broom clean" which means it has been swept and none of the Sellers items remain. This does not necessarily mean that the Sellers will be hiring a Cleaning Company although some Sellers may choose to do so. I always suggest running faucets to make sure there is hot water and checking other items in the home such as the furnace, air conditioning, hot water heater, stove, dishwasher, washer and dryer if included, etc., to be sure they are in the same working order as they were at the home inspection.

If a problem arises at this point, a discussion would take place with the Seller to decide the best way to handle it. Many times, the Closing Attorney will do what is called a "hold back" which is usually a small amount of money held back from the Sellers proceeds to ensure the Seller will take care of the issue and the closing does not need to be held up. Once the issue is fixed, the remainder of the money will be given to the Seller.



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THE CLOSING:

The Closing is the date that the home will actually be changing hands making you the official owners! The closing is a meeting that you will attend with your Attorney, the Buyer's Agent, the Bank Attorney, if different from your Attorney, and the Sellers with their Attorney and Seller's Agent. It is not unusual for the Sellers to give Power of Attorney to their Attorney and not attend the closing. The Buyers are usually in attendance or will sign with their Attorney separately since there is a lot more documentation on the Buyer's side.

All documents have now been signed and you have handed over the remaining money due, however, you are not yet the official owner until the property goes "on record" at the Registry of Deeds. Getting the property "on record" can take anywhere from an hour to multiple hours depending on how busy the registry is that day. The Closing Attorney will arrange for this to be done either in person at the Registry or it can now also be done online. End of month closings usually take the longest to go "on record" since in general there are more closings scheduled and, therefore, there can be a line.

I suggest a morning close to ensure your home is "on record" the same day. Many Sellers will not give out the keys until your home is "on record". The registries close at 4:00 pm which is why an early in the day close can avoid the possibility of preventing you from getting into your home as planned.

Congratulations! You are now a Massachusetts Homeowner!



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Words of Wisdom

"KNOW
WHAT YOU
OWN AND
KNOW WHY
YOU OWN IT"

Peter Lynch



Meet Rachel Bodner



When it comes to customer service in today's fast paced world let's face it, our world has become pretty impersonal. We are constantly confronted with automated tellers, voice mail systems, recordings of all kinds, warehouse stores, drive-thru everything, and much more. Convenient, yes, but sometimes when it really counts, don't you wish you could find people who care? I know that when it comes to people, no two individual's needs or goals are exactly the same. That's why many people choose to work with me when they have real estate needs. They find my more personal and customized approach very refreshing. I never try to fit my clients into a mold or use a cookie-cutter approach. I know each person needs individual attention!

From that first-time buyer to the seasoned investor, I've helped them all achieve their goals. I know that today's home buyers and sellers are more educated and sophisticated than in years past. My desire to stay ahead of this constantly changing industry finds me persistently searching for better, faster, and smarter techniques to get the job done. I will go that extra mile to help you achieve your goals. I know local market conditions, towns, neighborhoods, mortgage options, inspectors, attorneys, etc. and will share my knowledge and connections with you to be sure all runs smoothly.

Those who work with me will tell you that I love what I do and am constantly looking for ways to do it better. I know that what was effective in the industry yesterday is old news today. I know that today's home buyers and sellers are more educated and sophisticated than in years past. I drive myself to provide the level of incomparable service today's clients demand. My desire to stay ahead of this constantly changing industry finds me persistently searching for better and smarter techniques to get the job done. Because the real estate industry is becoming more sophisticated and challenging every day, you need a Full Time Professional who understands the industry and is positioned to stay ahead of the game. I will go that extra mile to help you achieve your goals!

Buying a home? I take the time to listen to your needs and desires, and find your dream home. Your total satisfaction is my number one priority. Selling a home? I get your home sold for top dollar and in a timely manner. My online and offline marketing programs will give you the edge you need to sell your home. I don't want to just list your home, I want to sell it!

Whether this is your first home or you have bought and sold many, I will work diligently to make the process smooth and less stressful for you and your family. I love my job and I truly enjoy coming to work every day to help both buyers and sellers with all their Real Estate needs. I feel so fortunate to have found my passion and I am honored to be helping my clients realize their dreams. Give me a call today and let's get moving!

I am a full-time Realtor/Broker Associate since 2003, helping hundreds of buyers and sellers over the years. I am ranked in the top 1% of Realtors nationally and the top 1% of Coldwell Banker Realtors internationally. I have received numerous customer service and sales awards and have been recognized in the Top 50 Coldwell Banker Agents in New England and in the Top 100 Most Influential Realtors in Massachusetts. I was featured on HGTV in an episode of House Hunters. Call me today at 978-505-1466 and get your home search started!

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