

# Home Buyers Guide

*A step by step guide to buying your next home*



## Compliments of Chris Booth

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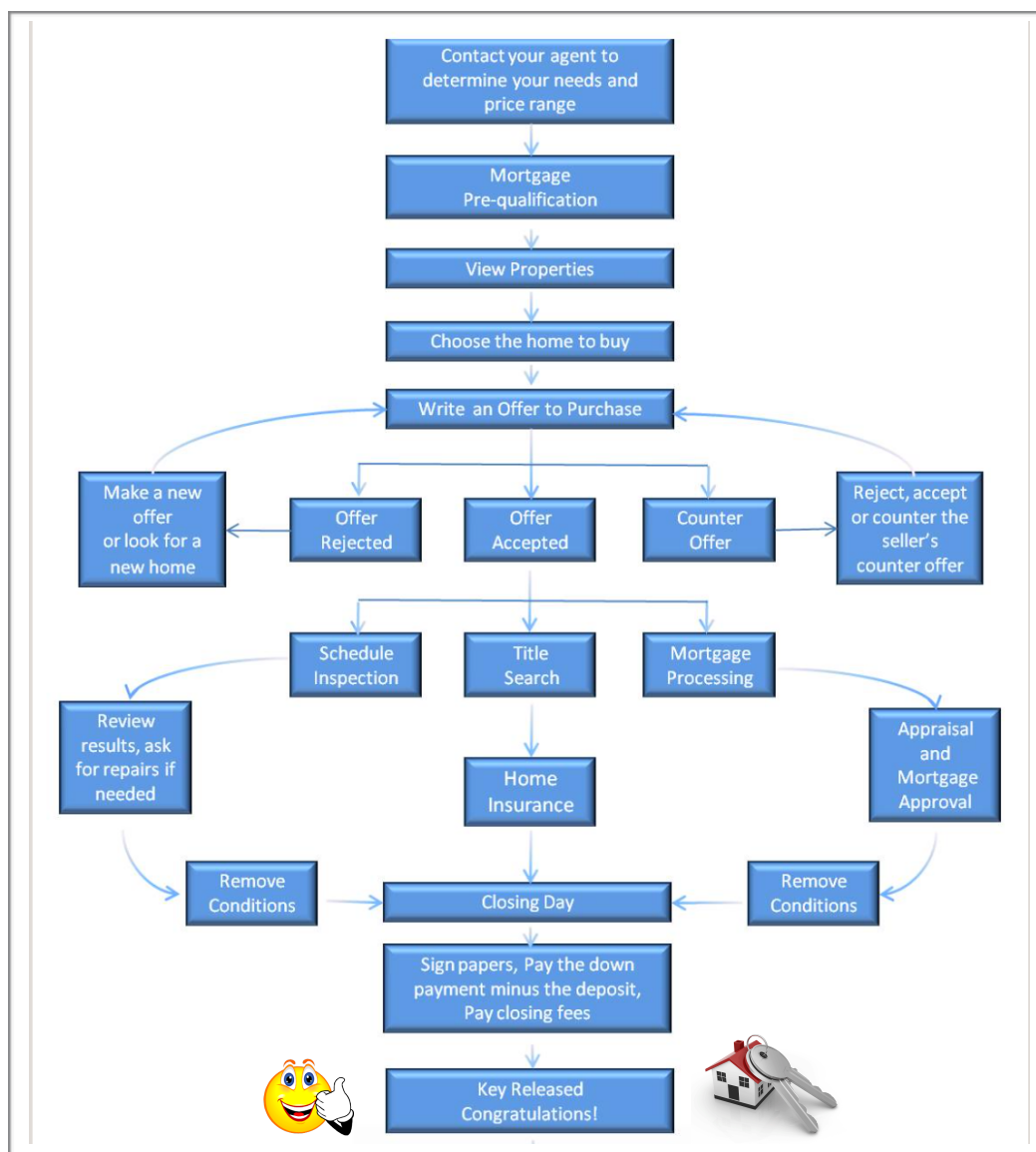


**Chris Booth, REALTOR®**  
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# From Idea to Reality

## *A Basic Outline*

Whether you are a first time home buyer, looking for your retirement, or anywhere in between, this process can seem daunting. For those of you like me, you may like to have a visual aid for explaining a process that isn't exactly straight forward. The flow chart below, plus the additional information in this buyers guide will be a great set of tools to take away the stress. Buying your home should be exciting!



# Seven Steps to Buying a Home

## *A Basic Outline Continued*

The chart from the previous page can be broken down to seven main steps. We will go into detail on these Seven Steps to Buying a Home.

They are outlined below:

1. Meet with a REALTOR®.
2. Get Pre-Approved for a Mortgage.
3. Tour Houses that may become Home.
4. Make an Offer and Negotiate with the Seller.
5. Inspections and Repairs.
6. Finalize the Mortgage.
7. Closing Day.

# Meet with a REALTOR®

## *Step One*

Choosing the right REALTOR® is an important first step. After all, you are hiring this person to be involved in an guiding you though the most important purchase that many Americans make. There are not too many items that compare to the value of your home. You will want (and need) an agent that **you can trust**.

A good REALTOR® is a person that is confident, easy to get along with, knowledgeable of the local market, and takes his/her job seriously as a full time career. You will most often be able to tell if this is the case with a quick conversation.

This is a good time to talk about what you are looking for in a home, such as number of bedrooms, number of bathrooms, location, school systems, style of home, and other specifics. This will help you and the agent both know what you are looking for and where to begin. Of course it is okay to change you mind about some items, that is part of the adventure.

In choosing a good agent you can be assured that they will also have contact information and honest feedback for other parties that will be involved in the process. Such as home inspectors, exterminators, repairmen, and local lenders.



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# Get Pre-Approved for a Mortgage

## *Step Two*

It is almost always critical to get pre-approved for a mortgage before looking at homes. The one exception is if you plan to purchase with all cash.

The pre-approval process involves meeting with a local lender and authorizing them to look at your current financial situation, including credit report, to determine the amount you are qualified to borrow towards a home. A quality local lender can also coach you through the different loan product options and explain your credit score.

There are many options when it comes to home mortgage loans such as: Conventional, FHA, VHDA, 203k, USDA, and VA, just to name a few. It is key to understand your options, and have a **local** loan officer that you can contact, and trust to take care of the details.

Your REALTOR® will gladly suggest a local lender.

# Tour Houses that may become Home

## *Step Three*

According to the National Association of REALTORS® (NAR) around 90% of all home sales utilized the internet in the initial search. It is the new norm, and that is your best way to start your home hunt. There are many great sites that will allow you to save your searches and selections, and even give feedback to your real estate agent about the different properties on the market. Talk to your REALTOR® about these tech features to enhance your home search.

The internet is a great tool, but it is just that. It's a tool. After finding homes that you are interested in pursuing and, other suggestions from your agent, it is time to hit the road. Take time in the afternoon, after work, and on weekends to tour the homes and familiarize yourself with the homes and areas. In 2014 the average buyer searched for 10 weeks and viewed 10 different homes in person before making a decision.

Once you have found **The One**, it is time to make an offer.





# Make an Offer and Negotiate with the Seller

## *Step Four*

This is when things become exciting! After searching online and touring houses in person, you are now able to say “I can see this being home.”

You and your REALTOR® will need to sit down and go over pricing and terms. At that time, you together will write up a contract. There are many parts to the offer including price, personal property included, inspections, repairs, closing date, and



more. Your real estate agent will gladly explain these details. Your REALTOR® will then present the offer to the sellers and/or the sellers' agent. The sellers will then have three options for responding to your offer. They can accept, reject, or counter offer. The latter is the most common, so there will likely be a time of negotiations.

A quality real estate agent will be able to successfully negotiate on your behalf to get you the best deal possible. They will also know when we reach that point. It is important to keep both sides happy about the transaction, because the process is not over yet. There will likely be more negotiations after the inspections. A long time real estate veteran once said “Every transaction is negotiated twice; once for the initial offer and again after home inspection.” This is very true.

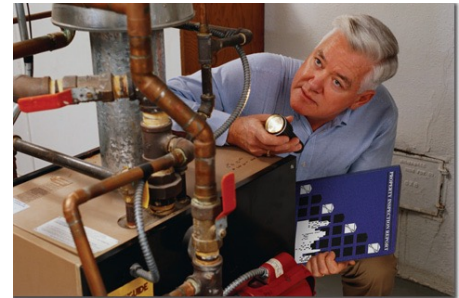


# Inspections and Repairs

## *Step Five*

After an offer is accepted, you are now “under contract.” That is when the buyer has an opportunity to do his/her due diligence. An inspector is the person who generally helps take care of this. In Virginia these inspections can be done by any combination of three different professionals including: a licensed engineer, a licensed contractor, or a qualified home inspector.

A contract can be contingent on many different kinds of inspections. Some are typically paid for by the purchaser; such as a home inspection, radon inspection, and other more advanced inspections (such as structural inspections). There are also inspections that are customarily taken care of by the seller. These would include well, septic, termite, and any government required inspections (such as an I&I inspection.) This is typical but not always the case.



All inspectors should provide a detailed report which includes the results of these inspections, and possibly suggestions on how to correct any issues. The reports will be sent to both the purchasers and sellers. After reviewing these reports



negotiations begin again. Your REALTOR® should be able to guide you and negotiate on your behalf for the repairs. If the issues are more than you are willing handle and would rather walk away, and find another home, this is the time. Most of the time repairs are minor and/or the buyers and sellers come to an agreement on these items.



# Finalize the Mortgage

## *Step Six*

You are in the final stretch now! At this point your soon-to-be home is under contract, and all of the details have been taken care of between the purchaser and seller. Inspections have been and done repairs are made. The mortgage company still needs to take care of some final details before closing can occur.

The loan officer and processor will be contacting you to get these last minute details finalized. They will need updated financial records, including bank statements, pay stubs, tax returns, and possibly other items, to be sure that nothing has changed since last time you met. This is also the time that the mortgage company sends an appraiser to the home. There may also be a time period that your loan documents are sent to the government depending on the loan type. This can be a time that involves a lot of activity because we are getting close to the closing date. All the activity can cause some people to worry; there is no need to worry or get concerned about the small details. The mortgage company is getting everything ready to finalize the loan.

At this time you will also go over the down payment, final closing costs, interest rate, regular payment amount, and when payments begin with the loan officer.

Once the mortgage company has everything needed, you will hear the exciting words “We are good to close.”

# Closing Day!

## *Step Seven*

It has been between 1-2 months since you have made an offer on that house; now is the time it becomes **your new home!**

Usually the day before or the day of closing, there will be one last trip to the property where you and your REALTOR® will take one last look at the house to make sure everything is the way it should be. This is called the “Final Walk-through”. Once that it is verified that the home is as it should be, you and your real estate agent will go to the closing office.

There are a few names for the location but the closing office, settlement company, title company, or law office has been the silent partner in this whole process until now. They have been responsible for getting a title search, setting up title insurance, putting together a new deed that is in your name, assuring that everything has been handled in a legal manner, and many other details.

This is when you need to be ready to sign. You will be signing paperwork for transfer of title, loan documents, and all other paperwork required to complete the transaction. This is also when you will be responsible for paying closing cost, legal fees, transfer taxes, and other fees that may apply.

The most exciting part is that once the documents have been explained, and you have signed, you will then receive a couple things: A copy of all the documents and **the keys to your new home!** In most cases you will be able to move into your new home right away.



# Summary

The real estate buying process can be exciting, confusing, and possibly a bit overwhelming. That is why it is highly important to educate yourself as well as work with quality professionals.

The goal of this guide is to assist in educating people who are considering purchasing a new home. Not every detail of a real estate transaction is included in this booklet, so if you have any questions that were not answered, please contact a real estate professional for assistance.

As a professional real estate agent and REALTOR®, I would love to help you with the purchase of your new home and/or sale of your current house. Feel free to contact me with any questions or comments. Contact information is below:



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Note: All information in this guide book is deemed reliable, but not guaranteed. This is not to be considered legal advice. This is strictly real estate information.

# Home Buyers Worksheet

*Getting Ideas on Paper*

AREA: \_\_\_\_\_.

PRICE RANGE: \_\_\_\_\_.

# OF BEDROOMS: \_\_\_\_\_.

# OF BATHROOMS: \_\_\_\_\_.

HOUSE STYLE: \_\_\_\_\_.

SCHOOL SYSTEM: \_\_\_\_\_.

**MUST HAVE**

**LIKE TO HAVE**

**CAN NOT HAVE**