



The Ultimate Guide to

BUYING A HOME IN 2014

How to Find Your Dream
Home at Your Dream Price



In **2013**, the typical home buyer searched for **12 weeks** and viewed **10 homes**.

In an age of incredible technology and convenience, it's easy to forget that searching for a new home is hard work. Whether you're one of the 39 percent of buyers in the market for their first home, or a veteran looking for a better way to search, this guide will show you how to find and secure your perfect home in 2014.

Preparing Your Finances: 4 Steps

Before you start looking for a new home, it's crucial that you shore up and evaluate your finances. This will provide a strong foundation for your search and keep you realistic about your options.



1. SAVE



2. STRENGTHEN
YOUR CREDIT
SCORE



3. GET PRE-
APPROVED



4. GET READY,
GET SET



1. Save

However you decide to finance your home, it's important to start with a healthy savings account--not just for a down payment (which most experts agree should be around 20 percent of the total cost), but also to protect you in the event of unforeseen

problems or repairs. Plus, a homebuyer with a few months of mortgage payments set aside is a much better loan candidate, and lenders will often give you a little more latitude on factors like earnings and credit if you can show that you have an ample cushion.



2. Strengthen your Credit Score

Since the real estate bubble burst, lenders have tightened their requirements when it comes to borrowers' credit scores. But the basics haven't changed: The higher your credit score is, the lower your down payment and monthly payments will be. To bolster your numbers, settle any outstanding debts

and refrain from applying for new credit for several months prior to buying. Avoid closing accounts and making other large purchases (furniture, big screen TVs) until after the home closing. Ask your agent if you have any additional questions about your credit score.



3. Get Pre-approved

Once you've done your own financial preparations, it's time to get a professional's blessing. Unlike pre-qualification, which is more superficial, pre-approval takes all your financial information into account (including a full credit report) to give you a clear measure of the mortgage

amount you can afford. Getting pre-approval from a lender can save you the grief of finding your dream house, only to find you don't make the cut financially. You can also put yourself in a better position to make a quick and serious offer when you do find the right house.



4. Get ready, get set

Finding the right home can take months, but buying happens all at once, so you need to have your existing financial obligations all tied up. If you haven't put your current home on the market yet, be ready to do it at a moment's notice. If you're a renter,

move to a month-to-month agreement or get comfortable with the idea of breaking your lease. If you're not prepared to move right away, give your agent a concrete timeline for when you will be ready.

Why Work With an Agent?



88% of 2013 homebuyers purchased their home through a real estate agent or broker.

Today's real estate consumers have more access than ever before to up-to-date listings and advanced search tools, both on

agent websites or large real estate publishers. Still, more and more buyers are deciding to sign a contract with an agent. Why?



1. Local expertise

Taxi drivers know local geography. Police officers are versed in local culture, laws, and politics. The best real estate agents are knowledgeable in all of this and more: businesses and attractions, architectural styles, appliances, furnishings, heating

and cooling, etc. Most importantly, agents know the local market: what kinds of homes are available, how much they cost, and how these numbers compare to previous years.



2. Negotiation expertise

Whether you're buying your first, second, or third home, just about any agent has you beat when it comes to negotiation experience. A good agent knows when to

sign, as well as when to wait, and for how long. She knows how low she can go when making an offer, and has other tricks up her sleeve to help you get the right home at the right price.



3. Law and contract expertise

Buying a home is a complicated process, full of financial and legal obligations that no layperson can be expected to keep track of. Agents' credentials and

experience mean that they're more than familiar with these obligations, and will make sure you don't run afoul of the law or sign a bad deal.

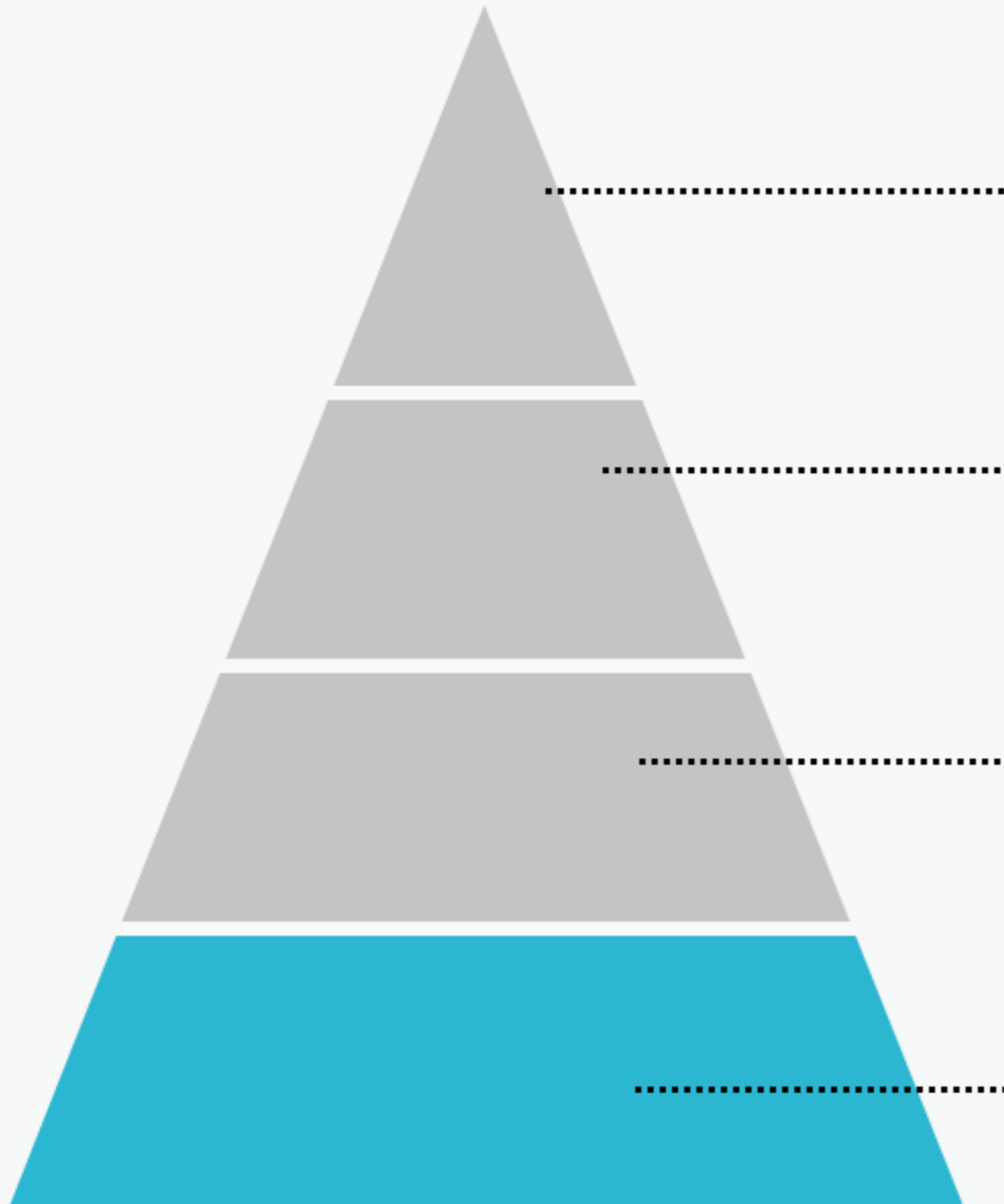


4. Professional referrals

Agents aren't the only real estate professionals you'll be working with when buying a home: there's also mortgage lenders, lawyers, appraisers, home inspectors, and contractors to consider.

Agents have relationships with all of these and more, and will often act as a kind of "concierge," referring you to quality professionals you can trust for all of your needs.

Home Search Factors



Condition

Barring serious structural issues, this is the easiest factor to change.

Size & Type

Homes come in all shapes and sizes. Which one is right for you?

Price

While there may be some room for negotiation, your budget has limits.

Location

This is the most important factor, and the one you can't change.



1. Location

Location affects everything from home value, to medical care, to your child's education--and since you can't change your home's location once you've bought it, you should consider this factor closely. For starters, remember to evaluate a property's location from every perspective.

While a home may look great from the street, a bird's-eye view may reveal nearby highways, industrial properties, or busy retail centers--all of which can affect a home's value.



1. Location (Continued)

Location Factors:

Work: How long will your commute be? What's traffic like? Is there public transportation?

Schools: Whether you have children or not, school quality can affect your home's long-term value.

Public services: Where is the nearest hospital? What about fire and police?

Local ordinances: Be sure to check zoning laws and other neighborhood regulations for any restrictions on everything from pets, to landscaping, to vacation rentals.

Crime: Beyond the obvious safety implications, crime rates can affect your home's resale value.

Shopping and attractions: How far is the nearest grocery store? What about restaurants, nightlife, public parks?

Water and power: Is the home on a well? Are local sewer and power systems up to date?

Ownership situation: Are there a lot of bank-owned properties for sale in the neighborhood? This may depress a home's value going forward--or, at the very least, leave you living in a ghost town.



2. Price

Thanks to your financial preparations, you should have a clear picture of how much you can budget for your new home. Still, you shouldn't rely solely on your bank's pre-approval for a guide. Before you start touring dream homes, determine the highest monthly payment you'd be comfortable with, then stick to it. While this may seem like a buzzkill, it will keep you realistic and focused.

Don't forget to factor property taxes and home insurance costs into your considerations. Is the property located in a FEMA flood zone, or an area prone to wildfires, violent storms, etc.? This can have a significant impact on your overall price tag. On the upside, your new home may give you access to tax deductions for mortgage interest, property taxes, and other factors.



3. Size & Type



Median U.S.
home size in
2012.



Median U.S.
home size in
2009.

When determining how much space you need in your new home, it's important to consider hidden costs. While a larger home will give you more flexibility and extra space for storage and activities, it will also mean higher utility bills, maintenance costs, and property taxes. Still, it's important to plan for the long haul: one bathroom may suit your current needs, but that one bathroom may not be enough when you're sharing it your spouse and three children.



3. Size & Type

When it comes to property type, location is a major determining factor. Townhouses and condos are more common in urban areas, while single-family homes will be the norm in suburban and rural areas. Each property type has its advantages: a house will offer more privacy and space, while a condo may give you access to bonus amenities. You may also have the option to

purchase a pre-owned home or a brand new one. Again, there are pros and cons to each. New homes are typically more expensive up front, but also more energy efficient. Older homes are cheaper and often have more character, but they also carry the previous owners' design choices, and may have hidden maintenance costs.



4. Condition

Most homes have defects. Some, like worn carpets or tired paint, can be easily fixed, either before or after you've made your purchase. Other issues, however, can be deal breakers. Here are major condition issues to look out for.

Foundation: Check for bulges, cracks, rotting supports, sticky doors, slanting walls, or signs of harmful pests like termites. These may indicate costly structural damage.

Power and Heat: Look for faulty switches and wiring, adequate insulation, tight window seals, new electrical panels, and up-to-date heating and cooling systems.

Exterior: Inspect siding and roof for any obvious signs of damage, leaking, or wear. For reference, traditional asphalt shingle roofs should be replaced every 15-20 years. Other materials last longer: clay tiles, for instance, should be replaced every 50 years or so.

Odors: Trust your sense of smell. A funky odor may indicate hidden mold, water damage, or air pollution from nearby industrial facilities.

Offer and Closing

Once you and your agent have found the home of your dreams, it's time to make an offer and close the deal. Here are some tips for coming out on top.



1. RESEARCH
YOUR BID



2. HOME
INSPECTION



3. CLOSING
THE DEAL



4. AFTER
CLOSING



Research Your Bid

Don't rely solely on the list price when making an offer. Instead, do some research on sales trends for similar homes in the neighborhood in the past two to three months. Use caution with sites like Zillow and Trulia, which tend to offer outdated information. Instead, have your agent put together a Comparative Market Analysis

(CMA), which uses MLS data on active, sold, and expired listings in your area, as well as listings with similar amenities and characteristics, to determine what a home is worth.

Remember that in a multiple offer situation, you may need to bid more than the list price to get the property.



Closing the Deal

Finally, it's time to take ownership of the property. After you've chosen your mortgage lender, your agent will help you handle the settlement process, obtaining the necessary forms, double-checking property records, and guiding you through all of your transactions and tasks.

You'll also have an opportunity to conduct any final inspections or walkthroughs of the property. Note that depending on the closing date and time, you should be prepared to take some time off work in order to close the deal. All that's left is to close the loan and transfer the title.



After Closing

Just because you've the keys to your new home doesn't mean your agent's job is over. There are plenty more boxes to check and details to deal with after you've closed on a home, including everything from setting up

utilities to finding contractors for any repairs or modifications. A good agent will stay in touch with a buyer long after closing to offer advice, provide referrals, and file any lingering paperwork.



FOR MORE INFORMATION

My job is to make the process of buying a new home as easy and enjoyable as possible, and I have dedicated my career and livelihood to this goal. As your agent, I will be your tireless advocate, ensuring that you secure the right home at the right price. Please contact me for a free consultation. I look forward to meeting you.

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