

YOUR GUIDE TO OWNING YOUR DREAM HOME



BUYER'S GUIDE

Your Property Pros

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Greetings!

Congratulations on taking this first step towards buying a home! Buying a home, whether it's your first or your third time, can be a little overwhelming. There's bound to be stress with buying a home, as it is one of the most significant financial decisions you'll make in life.

As you may know, no two real estate transactions or properties are alike. Each Buyer and Seller are different as they each have different wants, needs, and financial goals. This is why it is important to have a buyer's agent by your side to guide you through this process.

This Home Buyers' Guide provides a general overview of the basic elements you need to understand in order to navigate successfully in today's real estate market. It has an overview of the entire purchase process, as well as answers to frequently asked questions.

If you have any questions or need support for your home buying journey, please feel free to contact us!

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Our Promise To You

Throughout our years as real estate agents, We have had the opportunity to work with many first time home buyers from all different financial positions looking for many different things. We have experienced just about every road bump that can come up in a transaction. We love being able to educate our clients along the way to help them make a confident, informed decision.

AS YOUR AGENTS, WE WILL:

- 01 Provide an in-depth consultation so we can learn about your real estate needs and goals.
- 02 Educate and guide you through every step of the home-buying process.
- 03 Help you find a mortgage lender who will offer you an interest rate with loan terms you are comfortable with.
- 04 Establish an automatic notification system which will immediately email you MLS listings that match your home search criteria.
- 06 Guide you through the negotiation process for pricing and post-inspection requests.
- 07 Refer you to contractors who consistently provide our clients with a excellent service.



BUYER Questionnaire

Please fill out this form so we can have a better idea of what your dream home looks like! This will be used as a reference when we help you find your perfect home.

TOWNS OR NEIGHBORHOODS
YOU'D LIKE TO BUY IN

TOP 3 FEATURES YOUR HOME
MUST HAVE

NUMBER OF BEDROOMS

NUMBER OF BATHROOMS

PREFERRED SQUARE FEET

NUMBER OF GARAGES

PRE-QUALIFIED?

PRICE RANGE

WHEN DO YOU WANT TO PURCHASE BY

ARE THERE ANY OTHER FEATURES YOU'D LIKE TO HAVE IN YOUR
DREAM HOME?

01. Finding the Right Real Estate Agent

Buying real estate is a complex matter with many factors to consider as no two homes or transactions are the same. The opportunities and potential pitfalls are best navigated with an expert on your side. This is why hiring the right real estate agent is a crucial step of the home buying journey.

A professional agent can guide you through the property search, financing, negotiation, and transaction processes. When searching for the right agent, it's important to consider their market knowledge, experience, and track record.



THE RIGHT AGENT WILL BE ABLE TO HELP YOU:

- Navigate the home buying process and paperwork from start to finish, ensuring everything goes smoothly without any issues.
- Find the right home, in the neighborhood you want, at a price you can afford.
- Compare your property with similar properties that have sold over the past year to ensure you're not overpaying.
- Get a feel of the neighborhood: the schools, parks, and other amenities.
- Compare mortgage products and different lenders to see what fits your needs.
- Negotiate purchase price and contract terms.
- Navigates legal contracts to ensure you are not being taken advantage of when purchasing a home.
- Help you find qualified industry professionals, such as real estate lawyers, home appraisers, and home inspectors.
- Plan for closing costs and other related expenses.

02. Preparing Your Finances

Before starting your home search, it's important to evaluate your financial situation and prepare your finances so that you can successfully get pre-approved from your lender.



1: CREATE
YOUR
BUDGET

2: HAVE A
DOWN
PAYMENT
READY

3: CHECK
YOUR
CREDIT
SCORE

03. Getting Pre-Approved

Most buyers get pre-approved before they begin their home search. The pre-approval process typically involves meeting with a lender and authorizing them to examine your current financial situation and credit history. When you get pre-approved for a loan, it means that you've actually been approved by a lender to borrow a specific amount of money to purchase your home.

The benefits of getting pre-approval include:

- You'll know how much you can borrow and will be able to determine the price range of homes you can afford
- You'll be taken more seriously when you make an offer if you are already pre-approved
- In a competitive market, sellers may ask for proof of pre-approval. This document can help strengthen your offer! Make sure to get a pre-approved letter before we start viewing homes.

The Mortgage & Loan Process

FUNDING YOUR HOME PURCHASE

01

APPLICATION AND INTERVIEW

Buyer provides required documentation to the lender. Credit report is requested. Appraisal scheduled for current home owned, if applicable.

02

UNDERWRITING

Your loan is submitted to underwriter for approval.

03

LOAN APPROVAL

Parties are notified of approval. Loan documents are completed and sent to title.

04

TITLE COMPANY

Title exam, insurance and title survey conducted. Borrowers come in for signatures.

05

FUNDING

The lender will review the loan package and funds will be transferred.

04. Conducting Your Home Search



When you know exactly what you want, what your “must-haves” and “like-to-haves” are, you are much more likely to succeed in finding your dream home. A good idea to figure out exactly what you are looking for is to go to online real estate websites to view virtual tours of the homes, see the details, and access neighborhood info. This is a great way to learn what homes are available in a given area, the price range, and features, etc., before you actually start your home search in person.

The typical home search process goes like this:

AUTOMATIC PROPERTY UPDATES

As soon as a property that meets your dream home criteria is posted on MLS, you will be sent an email alert to direct you to that listing.

ADVANCE ACCESS TO EXCLUSIVE PROPERTIES

Some homes are marketed and sold within a real estate brokerage’s network without ever being made available to the public. In these cases, our team can arrange for advance access to properties that are represented within their network.

PROPERTY TOURS

We'll schedule walk-throughs of the properties that match your preferences and needs.





05. Making an Offer

Once you have found the property you want, we will write a purchase agreement.

OFFER DETAILS

Your offer includes the price you are offering to pay, inclusions (items in the home that you think are included in the sale), deposit amount, when you'll take possession of the home, legal conditions, and the date the offer expires. Note that your offer is a legally binding document and should be prepared by a real estate professional.

There are a few areas in the purchase agreement that can be negotiated.

THE PRICE

The price you offer depends on several factors, such as the home's condition, time on the market, current market trends, etc. We'll help you make a competitive initial price offer as well as what your target price would be for this specific home based on the price of recent homes sold in the area, local market information and whether there are other competitive offers.

TIME FRAME

Ensure that any time frames indicated in the contract are realistic, especially if you still need to get pre-approved for a mortgage loan.



06. Negotiating Successfully

PREPARATION

After submitting an offer, you should be prepared to negotiate on various factors, such as the initial price, deposit, inclusions, dates for completion and possession, etc. Know what your budget is before submitting your offer so you don't commit to additional costs in the heat of the process.

MULTIPLE OFFERS

In high-demand, low-inventory areas, you may find yourself bidding against other buyers. This means you need to ensure the offer you submit is strategic, competitive and reflective of what you are ultimately willing to pay for the property. A tip is to get pre-approved for your mortgage prior to your home search. Sellers are more likely to reject those without pre-approval in a multiple offer situation.



POTENTIAL RESPONSES

Your offer will be either be:

- Accepted as is: the deal is complete and once signed by the seller, the offer becomes a binding legal contract.
- Counteroffer: the seller may make changes to your offer. You may accept the counteroffer and close the deal by signing the document. Or, you may make another counteroffer back to the seller.
- Rejection: the seller may choose to reject the offer and the sale will not go through.

OFFER ACCEPTANCE

Once both parties have come to an agreement, both parties will have a set period of time to complete the legal conditions agreed to in your contract, such as completing a home inspection or securing financing.



07. Home Inspection

A home inspection is the next step after your offer is accepted. You will have a certain number of days to complete this inspection after the offer was accepted. The inspection is when a home inspector comes to your home to examine the physical structure and systems of your property. They will then write a report which generally covers the conditions of the following systems:

- Heating system
- Central air conditioning system
- Interior plumbing and electrical systems
- Roof, attic and visible insulation
- Walls, ceilings, floors, windows and doors
- Foundation, basement and structural components

The fee for the home inspection is small in comparison to major repair issues that may be discovered. A buyer should generally request an inspection, even if it is not required by the lender. A thorough inspection may allow buyers to back out of a sale, negotiate a lower sales price or ask the seller for repairs before closing: choices that a buyer without an inspection report would not have.

08. Appraisal & Title Search

TITLE SEARCH

The title is your right to own, possess, and use the property. When you buy a home, you are purchasing the seller's title to the home. Before obtaining the title, we will complete a Title Search. This will confirm if the seller has the legal right to sell the property in question, and if there are any hindrances that may prevent the buyer from taking full possession.

APPRAISAL

An appraisal is an estimate of the property value. This is required by the lender to ensure the value of the property meets the value of the loan. The appraisal is not only to justify the lender's investment, but to help keep the buyer from overpaying a property. Your lender will typically hire an appraiser and charge you the fee at closing.

FINAL COMMITMENT FROM LENDER

Once these steps are completed, your lender will issue a Final Commitment Letter, which officially approves your home loan. This letter covers all loan terms and agreements for the mortgage they are granting you. Your final letter will also include your annual percentage rates, monthly fees, and repayment info for the loan.



09. Scheduling Your Move

Congratulations, you're about to move into your new home! As closing day slowly approaches, it is a good idea to get things organized well in advance of the closing date to reduce the stress of moving. We've compiled this checklist to help you ensure that the moving process will go smoothly!

2-3 WEEKS BEFORE YOU MOVE

- Buy boxes and other moving supplies
- Make any necessary travel arrangements or reservations
- Notify your children's old school & register at their new school
- Contact your local post office to forward your mail to your new address
- Donate or give away unwanted items
- Transfer your insurance so you will be covered at your new home
- Make a list of everything that needs to be moved
- Get copies of all medical, dental and veterinary records

1-2 WEEKS BEFORE YOU MOVE

- Complete any necessary repairs
- Pack each room and label all boxes as to what's in them
- Notify utility companies with the moving date to stop services & get final meter readings
- Confirm moving/travel arrangements
- Pack a small bag with the clothes and personal items you need for the next few days

MOVING DAY

- Dispose of all trash & finish cleaning
- Double check that all cabinets, closets and dishwashers are empty
- Give movers any special instructions that may be needed
- Pack your linens, toiletries, etc.
- Keep your paperwork where you can find it
- Do a final walk-through for every room to ensure no items were left behind



10. Closing

As Closing Day starts to approach, you should be in close contact with your agent and lender as they will monitor the progress of your transaction to ensure there are no last minute issues.

Closing day is when the purchase of your home is finalized. You and your agent will meet with the escrow officer, who will review your contract of sale to determine what fees are owed by whom and prepare your final closing documents. The main purpose of closing is to ensure that all fees are paid, the seller receives the money owed, and that the buyer's title is recorded.

REMEMBER TO BRING

- A valid government issued ID
- Any outstanding documents for the title company or loan officer

CLOSING COSTS

Closing costs are an assortment of fees that are paid by both buyers and sellers at the close of a real estate transaction. Closing costs include:

- Mortgage Application & Underwriting fees
- Title Search & Insurance
- Appraisal fees
- Land transfer taxes
- Homeowner's Insurance
- Escrow fees
- Notary or Recording fees
- Home Owner's Association fees, if applicable

Home Buying Roadmap

STEPS FOR BUYING YOUR DREAM HOME



01

AGENT

Connect with us to get the process started. We will guide you throughout the process



02

PREPARE FINANCES

Save for a down payment and improve your credit score.



03

PRE-APPROVAL

Meet with a lender to get pre-approved for a mortgage.



06

NEGOTIATE

Prepare to negotiate and counter-offer.



05

OFFER

After finding the right home, we'll put in a strong offer.



04

HOME SEARCH

We'll discuss what your perfect house looks like and will begin the search!



07

INSPECTION

Schedule inspections and negotiate any requests and issues that come up.



08

APPRAISAL & TITLE SEARCH

Order appraisal and title search.



09

MOVING

It's time to schedule and prepare for moving day!



10

CLOSING

Congratulations! Pay closing fees, sign documents, and get your keys!

BUYING YOUR HOME

Checklist

1: PARTNER WITH AN AGENT

- Get local insight
- See what's hitting the market
- Get access to off-market properties
- Review market averages

2: GET PRE-APPROVED

- Understand what you can afford
- Determine your monthly mortgage payment
- Understand your debt ratio
- Prepare for escrow
- Get a pre-approval letter

3: FIND YOUR NEW HOME

- Compare home & neighborhood averages
- Favorite homes
- Veto homes when needed
- Schedule home tours with your agent
- Decide on your dream home

4: MAKE OFFER & NEGOTIATE

- Review contract terms
- Negotiate purchase price
- Choose a title company
- Shop for home insurance
- Prepare down payment & earnest money
- Choose a target closing date
- Sign the offer

5: UNDER CONTRACT

- Secure a home loan
- Get home insurance
- Get a list of what comes with the property
- Schedule home inspection & negotiate repairs requests
- Get a property disclosure from the seller
- Order an appraisal
- Neutralize contingencies. Input any contingencies specific to your area.
- Conduct title search
- Schedule your closing
- Certify funds for closing

6: BEFORE YOU CLOSE

- Transfer funds for closing
- Reserve moving services & set date
- Change your address through local post office, bank, etc.
- Set up your utilities to be activated or transferred
- Confirm that all contingencies are resolved
- Schedule the final property walk-through
- Designate a safe space to store your paperwork
- Stay in close contact with your agent, lender, and title company

7: CLOSING DAY

- Sign closing disclosure and all of the other documents needed
- Title transfer
- Deed delivery
- Save your paperwork in one place
- Get the keys!

Buyer Mistakes

Here are some of the most common mistakes buyers make when purchasing their home.

EMPTYING YOUR SAVINGS

Buyers will often forget that there are many costs involved in purchasing a home- there's a down payment, closing costs, property taxes, home warranties, legal fees, insurance, and unexpected home repairs.

Some buyers will go broke because they forgot to take into account all of these costs. To avoid this mistake, save enough money for a down payment, closing costs, moving expenses, and unexpected repairs. To get a better idea of how much the costs are, ask your lender for estimates. A good idea is to also hold off on shopping for new furniture or home decor until you're settled in and have a clear budget of how much you can spend.

CHOOSING THE WRONG LENDER

Each lender offers different interest rates and fees. Since most borrowers don't shop around for lenders, they end up choosing the wrong lender for them. To avoid this mistake, shop around for lenders and ask what their rates and terms are. By having various options to choose from, you are more likely to save money in interest and get better terms suited for you.

GOING HOUSE HUNTING BEFORE GETTING PRE-APPROVED

Many home buyers will go house hunting before getting pre-approved for a mortgage. While it's much more fun to go house hunting than talk about your finances, you wouldn't actually know what properties you can afford until you get pre-approved. Even if you find your dream home then, you're highly unable to afford it because you're looking in the wrong price range. To avoid this mistake, get pre-approved with a reputable lender before you start to seriously look for a home.

HOW TO AVOID *buying a nightmare home*

01

GET A HOME INSPECTION

Get a home inspection to find out what major defects the property may have. In the meantime, pay close attention to the foundation and structure of the homes when viewing a property. Look to see if there is cracking in the walls or plaster that indicates subsidence.

02

LOOK FOR WATER DAMAGE

When water gets into a property over a long period of time, there will be major structural damage to the home. Look for signs of water damage such as damp patches, discoloration, rotten skirting boards, peeling wallpaper, and the smell of mold.

03

GET A HOME WARRANTY

Get a home warranty no matter how new the home is. A home warranty typically covers: mechanical or electrical systems issues, air conditioning, furnace, water heater, ductwork, plumbing, etc.

04

CHECK OUT THE NEIGHBORS

No property is worth it if you have horrible neighbors. Check out the neighborhood at night and see what the people on the street are doing - are they throwing parties or are the lights out early?

Real Estate Terms

Here are some important, additional real estate terms you should know as a home buyer.

EARNEST MONEY

The deposit made from the buyer to the seller when submitting an offer. This deposit is held in trust by a 3rd party.

Upon closing, the deposit will be applied to the down payment or closing costs.

ADJUSTABLE RATE MORTGAGE

The interest rate changes throughout the life of the loan. The rate changes reflect changes in the economy. This means the monthly mortgage payment amount can increase or decrease over time.

PROPERTY TAXES

These are taxes enforced by the city, town, county, and state government entities.

They will either be included in the total monthly mortgage payments or paid annually to your city.

FIXED RATE MORTGAGE

Where the interest rate will remain the same for the entire life of the mortgage.

COMPARABLES

Homes in the area of interest that have recently sold with similar features.

DOWN PAYMENT

A percentage of the cost of the property that is paid up front as part of the mortgage.

CLOSING DISCLOSURE

A form that provides the final details about the mortgage loan. Includes loan terms, projected monthly payments, and how much the extra fees will be.

CONTINGENCIES

Conditions which must be met in order to close. Contingencies tend to have a deadline. If the contingency is not satisfied, the contract may be cancelled.

HOA FEE

In addition to a mortgage, certain housing communities have a monthly fee associated with maintaining common areas and amenities.

UNDERWRITING

The process in which the buyer is evaluated for their financial ability to obtain and repay the loan. This includes a credit check and an appraisal of the property.

DEBT TO INCOME RATIO

A lender will evaluate if a borrower's income is large enough to handle their payments on existing debts plus their mortgage payments.

FHA

A mortgage that is financed through a private lender and insured by the Federal Housing Administration, often requiring a lower down payment and income to qualify.