

# RE/MAX<sup>®</sup>

## HOME BUYER'S GUIDE

A resource to help  
guide you through the  
home-buying experience,  
from start to finish.



A photograph of a man and a woman embracing in a field at sunset. The man is wearing a plaid shirt and the woman is wearing a floral dress. The background shows a house and a sunset sky.

# The Road Home

You've heard it before: buying a home may be the largest purchase you will ever make. Does that make you nervous? Consider this: it can also be one of the best investments you will ever make.

From the pride you feel by being a homeowner to the tax deductions associated with home ownership, the benefits are plenty. If you're ready to travel the road toward home ownership, take your first step with the RE/MAX Home Buyer's Guide. This guide is a resource to help familiarize you with the home-buying process, and present you with relevant information, including a list of terms, things to consider when choosing a home, and a checklist to help you make the right decisions for you.



## 10 STEPS TO PURCHASING A HOME

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1. Choose a real estate agent that's right for you.
2. Know your budget.
3. Explore mortgage options, get pre-approved.
4. Create a remax.com account and browse homes online.
5. Identify homes you like and schedule home tours.
6. Make an offer.
7. Get a home inspection.
8. Close the deal.
9. Update utilities and transfer services.
10. Move into your new home!

### WHY CHOOSE A RE/MAX AGENT?

For over 45 years, RE/MAX has been building a global network of highly productive, full-time real estate professionals. RE/MAX Agents average more sales and more years in the business than agents from other companies.

What does this mean for you? It means that when you work with a RE/MAX Agent you are getting a dedicated real estate professional with access to a vast knowledge base, and the tools and support they need to help you find, and purchase, the right home for you.



# Let a RE/MAX Agent Be Your Guide

Whether you are moving across town or across the country the real estate market is a big place, and an experienced RE/MAX Agent can help you navigate it. RE/MAX Agents have access to current market information and can help you make informed decisions about the areas and properties that interest you. As you move through the process, your RE/MAX Agent can walk you through confusing paperwork and, of course, assist you in house hunting.

Visit [remax.com](https://www.remax.com) to get in touch with a local RE/MAX Agent who will guide you through each step of the homebuying process.

## TIPS FOR CHOOSING A REAL ESTATE AGENT:

### Do your due diligence.

Research real estate agents online, read reviews, and solicit recommendations from family and friends.

### Choose someone you trust.

A home is a very intimate, very expensive purchase. It's critical that your real estate agent makes you feel comfortable, listens to you and respects your views.

### Look for experience.

An experienced, full-time real estate professional will likely have already experienced market ups and downs, and will know how to navigate current conditions.

## TO FIND THE RIGHT AGENT FOR YOU, ASK YOUR TOP CANDIDATES THESE QUESTIONS:

1. How much experience do you have and can you provide references?
2. What services and resources do you offer?
3. How will the home-buying process work and what's expected of me?
4. How much time can you devote to my needs and how often will you communicate with me?
5. Who will you represent, me or the seller?
6. What types of homes are your specialty and are you familiar with the neighborhoods that interest me?
7. How many homes have you helped customers buy in the last year?

### Undivided attention.

While you want an agent with lots of experience, ask how many other clients he or she is working with currently. Generally speaking, if it's a high number of home buyers or sellers, question whether you'll get the attention required.

# Get Pre-Approved



Getting pre-approved for a home loan can be a daunting experience. First, find a mortgage lender that you're comfortable with. If needed, your RE/MAX Agent will be happy to provide a referral. Your lender will check your financial standing to determine how much you can borrow, how much you can afford, and which loans might be right for you. Applying for a mortgage requires a written application and supporting documentation; it can be a slightly intimidating process and there are a few things you should be ready for when meeting with your mortgage lender:

- 1. They will check your FICO score:** Knowing your credit score will give lenders an inside look at your credit habits and history and will help them decide if you're a good candidate for a loan. Credit scores are ranked on a scale of 300-850 and the higher the better.
- 2. They will check your employment history:** Lenders ask for a list of your past employers, how long you've been with your current employer, and what your annual salary or take-home pay is. They want to make sure you consistently earn money, with no major gaps in income, and can make regular mortgage payments.
- 3. They will check your assets and debts:** Be prepared to show your past tax records, recent bank statements, and current debt amounts, including credit card debt, car loan, or student loan. Lenders want to know your debt-to-income ratio to know if you can make each loan payment with the income you earn.



# Start Your Home Search

As a home buyer, you can expect to see an array of different home styles and designs. You've got the choice of single-family, condo, townhome, lakefront, acreage, luxury; you can also choose rambler, multiple-story, or split-level. In addition, you can choose a pre-existing home or new construction. In other words – you've got options. But what's most important is that you choose a home that complements your lifestyle and your income. To narrow down your choices:

- Know your budget and stick to it.
- Determine a desired location.
- Consider how many bedrooms, bathrooms and square feet you need.
- Decide which amenities are must-haves versus like-to-haves
- Consider your needs for outdoor space, like a yard or balcony.

Once you've identified your must-haves, browse listings on [remax.com](https://www.remax.com) and ask your RE/MAX Agent to send you listings that meet your criteria via email, text message

or social media. Your agent will coordinate showings for properties you'd like to see in person.

#### **FOUR THINGS TO CONSIDER WHEN VIEWING HOUSES ONLINE**

When it comes to house hunting online, there are lots of things a potential buyer can do to get a feel for a property by simply utilizing the tools that are available online. Your RE/MAX Agent is a great resource to lean on, as they often have lots of information on the property that may not be included in the MLS listing description.



### **Analyze the Photos**

Make sure you take a look at all of the photos and spend some time noting where windows are and what the natural light is like in the space. Another good thing to consider when looking through the photos is how your own furniture will look in the space. If the photos of the home are furniture free, allow yourself to mentally place furniture where you think it may look best. If the property is staged, take into consideration where different furniture pieces are placed and how you could change the furniture layout to work for you and your style.

### **Take Note of Potential Fixes/Renos**

If you're looking at a property online that may not be quite your style or that needs some upgrades, take note of those. See what elements of the home work for you and which areas you would consider renovating or giving some TLC in the future. And remember, paint color is an easy, relatively inexpensive change that makes a huge difference in a home!

### **Consider the Outdoor Space**

One thing that many people forget to take into consideration when viewing a home online is the outdoor space. Whether it is a small balcony or a large backyard, outdoor space is definitely something to try to get a feel for when viewing a home virtually. Take account of what furniture you may need to fit into the space or invest in, and what sort of maintenance will be required. Consider how exterior maintenance may be affected by different seasons. Will you need to trim and maintain trees or clear snow from a large driveway?

### **3D & Virtual Tours**

Many realtors now provide 3D tours or virtual walk-throughs of their listings. 3D tours allow you to view a property from the comfort of your own home, while also giving you the freedom to virtually navigate your way through the property. This will give you a chance to get a feel for the floor plan and layout of a home without having to actually set foot on the property.

# Home Styles



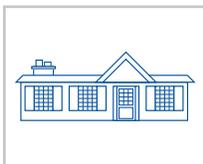
## Story-and-a-half

Also known as a Cape Cod, this style has a deep pitched roof and clean, simple design. Dormers can be added to a pitched roof to add windows or usable space on the upper level.



## Split Level

Also called a split entry, this home style typically has two short sets of stairs running up and down from the point of entry. It may, or may not, have living space at entry level.



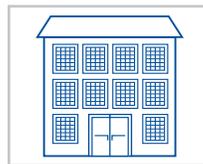
## Single-Level

Also referred to as a ranch or rambler is known for a long, low design with all or most living space on ground level. Most have a basement level which may be finished into additional living space. A lower level walk-out includes a door to the exterior.



## Two-Story Home

A two story home has two full levels of living space. A traditional two story will have a ground level, with an often equal sized floor directly above. Often you will find living space on the ground level, with the main suite and additional bedrooms on the second floor. There may also be a basement level. A Colonial is a type of two-story home with equal windows on the front upper and lower level.



## Condominium

An owned unit in a large property complex that consists of many individual units. Often has a fee that covers shared monthly expenses for the upkeep of the building and facilities.



## Townhouse

An owned unit in a row of houses all attached to one another. Often has an association fee that covers shared monthly expenses for the upkeep of the exterior and any shared facilities.



## CHECKLIST

- Bedrooms:**  2+  3+  4+
- Bathrooms:**  1+  2+  3+  4+
- Dedicated Office Space:**  Yes  No
- Central Air Conditioning:**  Yes  No
- .....
- .....

- Garage:**  1-car  2-car  3+ car
- Attached  Detached  None
- .....
- .....

- Kitchen Features:**
- Gas Stove/Cooktop  Gas Oven
- Microwave  Dishwasher
- Walk-In Pantry  Eat-In Kitchen
- Updated Countertops
- Fully Renovated
- .....
- .....

- Bedroom Features:**
- Walk-in closet  Master Bathroom
- .....
- .....

- Bathroom Features:**
- Double Vanity and Sinks
- Bathtub  Double Shower
- .....
- .....

- Additional Indoor Features:**
- Gas Fireplace  Wood Fireplace
- Mudroom  Main Level Laundry
- Alarm System  Smart-Home Tech.
- Mounted TV or Sound System Wiring
- Dedicated Dining Room
- Basement
- .....
- .....

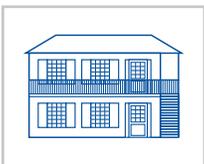
- Outdoor Features:**
- Yard Space  Wooded Lot  Balcony
- Pool  Fence  Shed
- Balcony or Deck
- Outdoor Entertaining Area
- .....
- .....



### Twin Home

Also called a semi-detached, this home has two single family dwellings that are separated by one common wall and have mirror

image layouts. Twin homes typically have two separate street addresses and can be owned by two different homeowners. Since outdoor maintenance is the responsibility of the homeowners, it is important to consider shared expenses that may need to be addressed such as house siding and windows as well use and upkeep of common spaces such as the yard, landscape or a shared driveway.



### Duplex

A duplex is a home consisting of two separate dwellings that are either side by side or stacked on top of each other. They typically

have identical layouts or a mirror image of each other. A duplex typically has one street address with unit numbers and one property owner.



# Be Prepared

When you're ready to make an offer, your RE/MAX Agent will prepare the required paperwork and negotiate the purchase price and terms on your behalf, but there are a few things you'll need to do as well:

- 1. Purchase Insurance:** You are required to purchase homeowners insurance if you have a mortgage. Make sure you purchase enough to fully cover your home, and your belongings, in case of a total loss.
- 2. Get a Home Inspection:** Inspections generally cost a couple hundred dollars but will bring to light any major issues or concerns with the home. The Purchase Agreement can be contingent on the outcome of the inspection, so if you don't like what you find you can withdraw the agreement and keep looking.
- 3. Determine the Status of Utilities:** In a traditional home sale, with sellers as occupants, you'll want to check on the status of the utilities required by the home. Outstanding invoices for items such as water, gas, and electric should be paid in full by the owners before closing. You will also want to have the services transferred to your name for billing. In a foreclosure, or vacant home sale, in which the water has been turned off, contact the city to turn the water back on and check for broken or damaged pipes.

## RELIABLE RESOURCES

Your RE/MAX Agent is a great resource; don't hesitate to ask for a referral if you're looking for a:

- Mortgage Lender
- Inspector/Appraiser
- Moving Company
- Insurance Provider
- Contractor
- Landscaper

## TAX BREAK

Preparing your taxes as a first-time homeowner can be, well, taxing. You will have a number of new tax considerations, including new deductibles such as mortgage insurance and property tax, to claim. If you're not sure what you'll be eligible to claim, consider visiting a tax consultant or visit [IRS.gov](https://www.irs.gov).

# Homebuyer's Glossary

The real estate industry is full of specific words, terms, and acronyms. Here are a few you may want to be familiar with to help clarify the process make a more-informed buying decision:

- 1. Buyer's Agent:** This is the agent who represents the buyer in the home-buying process. On the other side is the listing agent, who represents the seller.
- 2. Closing:** This is the last step of the real estate transaction, once all the offer conditions outlined in the Agreement of Purchase and Sale have been met and ownership of the property is transferred to the buyer. Once the closing period has passed, the keys are exchanged on the closing date outlined in the offer.
- 3. Comparative Market Analysis:** Comparative market analysis (CMA) is a report on comparable homes in the area that is used to derive an accurate value for the home in question.
- 4. Contingencies:** This term refers to conditions that have to be met in order for the purchase of a home to be finalized. For example, there may be contingencies that the loan must be approved or the appraised value must be near the final sale price.
- 5. Dual Agency:** Dual agency is when one agent represents both sides, rather than having both a buyer's agent and a listing agent.
- 6. Home Appraisal:** A qualified professional provides a market value assessment of a home based on several factors such as property size, location, age of the home, etc. This is used to satisfy mortgage requirements, giving mortgage financing companies confirmation of the mortgaged property's value.
- 7. Home Inspection:** The home inspection is performed to identify any existing or potential underlying problems in a home. This not only protects the buyer from risk, but also gives the buyer leverage when negotiating a reduced selling price.
- 8. Home Warranty:** This warranty protects from future problems to things such as plumbing and heating, which can be extremely expensive to fix.
- 9. Offer:** An offer is an agreement from a buyer to purchase a home, typically presented in writing. An offer can be conditional on a number of factors, commonly conditional on financing and a home inspection. If the conditions are not met, the buyer can cancel their offer.
- 10. Purchase and Sale Agreement:** The Purchase and Sale Agreement is a legal agreement to purchase a home. Depending on the local real estate practices, offers may be drafted by real estate agents. In some states it is customary for attorneys to draft contracts from the written offer.
- 11. Title Insurance:** Title insurance is highly recommended to protect both the buyer and the mortgage lender against losses related to the property title or ownership, such as unknown title defects, existing liens against the property's title, encroachment issues, title fraud, errors in surveys and public records, and title-related issues that could prevent you from selling, leasing or obtaining a mortgage. Your lawyer or mortgage lender can advise you on this.



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