

**iRealty Professionals**

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# **Secrets to Home Buying**

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***Avoiding costly Home Buying Pitfalls***

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## **Wouldn't You Agree That Knowledge Is Power?**

In order to help you avoid costly mistakes that can add up to thousands of dollars lost because of misinformation or non-information; this special package was developed to spell out, in detail, the home-buying process here in Southern California.

Many homebuyers today buy a home without considering the ramifications of their decisions. In other words, there are many buyers who rush into purchasing a home...more on a whim or an emotional "high," rather than making home ownership a planned, orderly and informed decision.

In order to protect you, my client, and to help you avoid *home buying pitfalls* I have created this special report. I expect it will grow in time as I find other materials and ideas that buyers should consider before purchasing...or have available once they have purchased. Your input, therefore, would be invaluable to me.

I hope, that as a future homeowner, this package will serve as a tool to help you become more informed, better educated as a home purchaser and that, after your purchase (or each purchase), you will become a satisfied homeowner here and be willing to recommend my services with a written testimonial to be added to my testimonial page (see last page).

## **There Is More To Purchasing a Home Than Finding A Piece of Real Estate to Make an Offer**

There is a need among today's purchasers (and homeowners) for straight talk and sound advice on buying and selling. Home ownership is a huge decision in most people's lives. It's not just a shelter or even another investment.

It's the place we bring our dreams to life in flower gardens and family rooms, backyard barbecues and home-cooked Sunday dinners. It's the place we raise our children, the nest we nudge them out of and welcome them back to again and again. For many of us, it's become our place of business, thanks to computers and fax machines that have made the home office a reality.

So it's easy to see why buying or selling a home is often an emotionally charged, potentially overwhelming process. And helping people through that process remains the single goal of all the services we provide.

That's why considerable time and effort has been devoted to staying in touch with the needs and concerns of all clients and potential customers.

Naturally, a great deal has been learned from the hundreds of families who we have helped to move over the years. They have told us about their dreams and fears, their joys and frustrations, their impressions of the positives and negatives of our business.

This package is the result of extensive research to find out what today's homebuyers expect from a realtor, and what kind of help they really want and need. It's based upon the questions we hear most frequently - questions that come from people just like you, with concerns and desires much like yours.

And it offers you straight answers, with some inside tips and "plain English" explanations to help you feel more comfortable and confident about your home buying and selling decisions.

## Let's start by asking a few important questions...

### What are the 14 most common buying mistakes Buyers make?

1. Not using a Real Estate Professional
2. Not using the right Real Estate Professional whose willing to help you through the home buying process
3. Not being clear with your agent regarding your wants and needs
4. Not getting pre-approved with a Lender
5. Not being clear and up-front with your Lender
6. Not asking their lender enough questions and not selecting the best deal in financing
7. Not being in escrow with your current home before shopping for a new one
8. Judging a home only from the curb
9. Not making a decision quickly enough and someone else buys the home
10. Making an offer much lower than market value or current market trends
11. Not providing enough back-up information for the offer so it looks good to a Seller
12. Not hiring a professional home inspector to inspect the home
13. Not purchasing a Home Warranty Program
14. Not considering resale values at time of purchase.

### Where do you begin the process of looking for a home?

The first thing you should do is to begin focusing on what you're looking for in a home.

You can start by establishing priorities in the following three areas:

#### 1. Location:

Are you relocating to a new town because of a new job, or to be closer to your current job? Are you coming here to vacation or to retire here permanently?

How will the location of schools, shops, and transportation and medical facilities affect your choice of neighborhood?

#### 2. Personal Taste:

How large a home do you need? What style of architecture do you prefer?

On what type of lot? How important is the lot? Depending on where you want to live, you may have a choice of homes in dozens of styles, sizes, and settings.

Every family's needs are different. It is helpful to examine what you like or don't like about your current home or apartment. What don't you like? What features are missing?

Do you have extra large furniture (i.e. king-size bed or large dining room suite) that you must accommodate? Do you need a finished family room, garage, special needs room (i.e. office)?

Once you've examined all your wants & needs, make a list of the most important features that you absolutely cannot live without. Those go to the top of your list. Everything else is a compromise!

### 3. **Budget:**

How much home is it wise for you to own or how much do you want to spend on a monthly basis without eating popcorn for dinner every evening?

As you consider these things, do a little research of your own. Look through magazines for ideas about home styles and features. Drive through neighborhoods that appeal to you to see what's available. Read the real estate listings in the newspaper to learn about the features that you are considering. The more knowledgeable you become, the better your final decision is likely to be.

## **Tips to Creating a Property Wish List**

While your opinions on the type of home you want to own may change during the home buying process, use this easy checklist to help you set your priorities and make the shopping process less time consuming.

How close do you need to be to (a) public transportation \_\_\_\_\_ (b) schools \_\_\_\_\_ (c) airport \_\_\_\_\_ (d) expressway \_\_\_\_\_ (e) neighborhood shopping \_\_\_\_\_ (f) other \_\_\_\_\_.

What neighborhoods would you prefer?

What school systems do you want to be near?

What architectural style(s) of homes do you prefer?

Do you want a one story or two-story house?

How old a home would you consider?

How much repair or renovation would you be willing to do?

Do you have special facilities or needs that your home must meet?

<i>Prioritize each of these options into</i>	<i>Must have</i>	<i>Would be Nice</i>
Bedrooms (#_____)		
Bathrooms (#_____)		
Walk-in Closet		
Master Bath		
Family room		
Formal living room		
Formal dining room		
<input type="checkbox"/> Office or <input type="checkbox"/> Den		
Eat-in kitchen		
Fireplace		
Laundry room		
Air conditioning		
Wall-to-wall carpet		
Hardwood floors		
View		
Plenty of Natural Light		
Private and Secluded		
Open Floor Plan		
Extra Storage		
<input type="checkbox"/> Attached Garage <input type="checkbox"/> Detached Garage (#cars_____)		
Yard (at least_____ square feet)		
Do you require a fenced yard or other amenities for your pets?		
Patio / Deck		
Pool		
Spa		

### **Ten Essential Items to Consider Before you Look at Any Homes**

1. Be picky, but don't be unrealistic. There is no perfect home. Consider the 85% rule when evaluating a home. Ask yourself if the home under consideration has 85% of the features and amenities you *must* have in your future home.
2. Do your homework before you start looking. Decide specifically what features you must have and which you merely want and then prioritize them according to importance.
3. Get your finances in order. Review your credit report and be sure you have enough money to cover your down payment and your closing costs.
4. Don't wait to get a loan. Talk to a lender and get pre-approved for a mortgage before you start looking.

5. Don't ask too many people for opinions. It will drive you crazy. Select one or two people to turn to if you feel you need a second opinion.
6. Decide when would be the best time for you to move.
7. Think long-term. Are you looking for a starter house with the idea of moving up in a few years? Are you looking to stay in this home for a long time or is this home a transitional home? This decision may dictate what type of home you'll buy as well as type of mortgage terms that suit you best.
8. Don't let yourself be house poor. If you max yourself out to buy the biggest home you can afford, you'll have no money left for maintenance or decoration or to save money for other financial goals.
9. Don't be naïve. Insist on a home inspection and if possible get a warranty from the seller to cover defects within one year.
10. Make your home search easier and faster by getting help. Consider hiring a buyer's representative to represent your interests in the purchase. Unlike a listing agent, whose first duty is to the seller, a buyer's representative is working only for you. And typically, the buyer's representative is paid by the seller.

**Before You Look At Any Homes...  
There Are A Few Things You Should Know  
About Purchasing Property!**

What is the neighborhood (and your neighbors) like?

**Are there certain area features that would affect the value of this property in the future?**

What are the utilities?

**How far do I have to travel for schools, public transit, and shopping and medical facilities?**

Are there any utility easements or encroachments over the property?

**What is the traffic flow in front of or near the property...any main roads, bus routes, or railway tracks?**

How much are the closing costs...and is there a better time in the month to close to minimize them?

**Who has the best rates and service in the mortgage field...bankers or mortgage brokers?**

How do you select the best lender to work with?

### **What are the other comparable homes in the area selling for?**

How flexible are the sellers on their asking price?

### **At what price do we put in our initial offer? What is the normal discount off the asking price?**

How is my financing approval determined? Is there any beneficial existing financing on the property that I can assume?

### **What can I have included in the sale? Are there any exclusions?**

How do you know for sure how much home you can afford?

### **We've found that affordability is probably the single biggest concern of today's first-time homebuyers.**

Our advice is to talk to a good real estate agent who is committed to honestly and responsibly working with you to determine your affordable price range. There are many financing options available today, and some include low down payments. We will put you in touch with a lender who will help you find an option that fits your budget, and you may be surprised at just how much home you can afford!

### **What should I consider when I'm deciding which community I want to live in?**

Good city services, nice parks and playground facilities, convenient shopping and transportation...these are just a few considerations that are important to people when they choose a community in which to live. As for individual neighborhoods within a village or city, there is no better source of information than your real estate agent. Agents know the people and the communities they serve and chances are we can help find a neighborhood that fits your family's needs.

### **Tips for Finding the Perfect Neighborhood**

The neighborhood you choose can have a big impact on your lifestyle—safety, available amenities, and convenience all play their part. Make a list of the activities—movies, health club, church-- you engage in regularly and stores you visit frequently. See how far you would have to travel from each neighborhood you're considering to engaging in your most common activities. Determine if the neighborhood will fit your lifestyle? If a neighborhoods proximity to restaurants, shops and recreation is an important consideration, check out its walking score by visiting [www.walkscore.com](http://www.walkscore.com).

Check out the school district. The Department of Education in your town can probably provide information on test scores, class size, percentage of students who attend college, and special enrichment programs. If you have school-age children, also consider paying a visit to schools in the neighborhoods you're considering. Even if you don't have children, a house in a good school district will be easier to sell in the future. Another source is [www.scorecard.org](http://www.scorecard.org).

Find out if the neighborhood is safe. Ask the police department for neighborhood crime statistics. Consider not only the number of crimes but also the type—burglaries, armed robberies—and the trend of increasing or decreasing crime. Also, is crime centered in only one part of the neighborhood, such as near a retail area? Another source is [www.homestore.com](http://www.homestore.com).

Determine if the neighborhood is economically stable. Check with your local city economic development office to see if income and property values in the neighborhood are stable or rising? What is the percentage of homes to apartments? Apartments don't necessarily diminish value, but do mean a more transient population. Do you see vacant businesses or homes that have been for sale for months?

See if you'll make money. Ask your real estate agent to provide you with information about price appreciation trends in the neighborhood. Although past performance is no guarantee of future results, this information may give you a sense of how good an investment your home will be. Your real estate agent or the government planning agency may also be able to tell you about planned developments or other changes in the neighborhood—like a new school or highway—that might affect value.

See for yourself. Once you've narrowed your focus to two or three neighborhoods, go there and walk around. Are homes tidy and well maintained? Are streets quiet? Pick a warm day if you can and chat with people working or playing outside. Are they friendly? Are their children to play with your family? Would this home be near the places and activities you enjoy?

### **Where can I get information about local schools?**

Again, a good real estate agent is perhaps your best source. They know where the local schools are and can provide you with valuable information about school districts, bus services and more.

If you're relocating, an agent may even be able to put you in touch with teachers and principals when you visit the area.

### **How can I find out what homes are selling for in a given neighborhood?**

Home sales are a matter of public record. You can get all the information you want about recent sales, including prices and time on the market, by asking your realtor.

If you're interested in a particular home, we will be able to provide you with a list of comparable sale prices of homes in your area that are roughly the same size and age as the home you're considering.

Although there will certainly be some differences between the homes...the house next door may have an extra bedroom, or the one down the block may be older than the one you're looking at...it's a good way to evaluate the sellers asking price.

### **When I start visiting homes, what should I be looking for the first time through?**

The house you ultimately choose to call home will play a major role in your family's life. A home can be an excellent investment, of course, but more importantly, it should fit the way you really live, with space and features that appeal to everyone in the family.

As you look at each home, pay close attention to these important considerations...

- Is there enough room for you now and in the near future?**
- Is the home's floor plan right for your family?
- Is there enough storage space?**
- Will you have to replace the appliances?
- Is the yard the size you want?**
- Are there enough bathrooms?
- How much maintenance and/or decorating will you need to do right away?**
- Will your present furniture work in this house?

### **How many bedrooms should I be considering?**

Whether you are married or not, or have kids or not, spare bedrooms come in handy when family and friends come to stay. When you're not having guests, extra bedrooms are useful as a library, den, or TV room.

Another good reason to choose a home with extra bedrooms...extra space will make your home more appealing to a larger number of interested buyers when it comes time to sell.

What should I ask about each home that I look at?

As a rule of thumb, ask any questions you have about specific room features or functions. Pay particular attention to areas that you feel could become "problem" areas - additions, defects, areas that have been repaired. And above all, if you don't feel your questions have been answered, ask until you do understand and are satisfied.

## **What should I tell my agent about the homes I looked at?**

Open communication is critical. Tell us everything you liked and didn't like about each home that you see. Don't be shy about talking about a home's shortcomings. Is the home too small for your needs?

Let your agent know. Was the home perfect except for the carpeting? Let your agent know that too. The more open and descriptive you are, the easier it is for us to "zero in" and find a home you'll love.

## **How many homes should I look at before I buy?**

There is no set number of homes you should look at before you decide to make an offer on one. That's why providing your agent with as many details as possible up front is so helpful.

The perfect home may be waiting for you on your first visit! Even if it isn't, the house-hunting process will help you get a feeling for the homes in each community and narrow your choices to a few homes that are worth a second look.

Sometimes seeing many houses can become confusing! An excellent way to differentiate each home is to name it! Call it the "cat house" if there were several cats or the "deck house" if the main feature is the deck. This will make it easier to remember and reach a decision.

## **I'd like to have a professional look at the home before I buy it. What does a Home Inspector do?**

For your own safety, and to make sure you're not going to have any surprise repair expenses, using a professional home inspector is highly recommended.

A home inspector will check a home's plumbing, heating, cooling, and electrical systems, plus look for structural problems, check the roof for water leakage, and look at the exterior and interior finishes throughout the property.

Usually you call an inspector immediately after you've made an offer on a home.

However, before you sign any written offer, make sure that it includes an inspection clause or other language that says that your offer is conditional upon having a satisfactory home inspection.

Your home cannot "pass" or "fail" an inspection and your inspector will not tell you whether he or she thinks the home is worth the money you are offering. The inspector's job is to make you aware of repairs that are recommended or necessary plus health and safety issues.

A seller may be willing to renegotiate a price to accommodate needed repairs, or you may decide that the home will take too much work and money. A professional inspection will help you make a clear-headed decision.

### **Why do I need to hire a professional home inspector when I can do my own inspection?**

General home inspections are a routine part of nearly every residential purchase, whether a resale or, yes, even a new-construction home. Many home-inspection organizations, such as CRIEA (California Real Estate Inspection Association), have set standards on certain areas of the home that the home inspector looks at to determine the integrity of the essential internal and external structural components. Home inspectors are not specialist, but they are trained to identify visual defects in areas requiring immediate repairs and will recommend a specialist to perform a further inspection and provide costs to repair should they feel it is warranted.

You might question the necessity of an inspection on new construction. However, realize that even though city inspectors have passed certain phases of the construction process and the home has received a certificate of occupancy, there could be numerous small items that may require attention that may or may not surface during the course of homeownership and yet could be a potential structural or safety hazard. General home inspectors provide a unique customer service in identifying existing or potential problems and longevity or life expectancy of many systems in your home.

Once a General home inspector has identified items of concern, they will often recommend that you obtain further inspections by a specialist. These inspections are at an additional cost to the general home inspection. Unlike a general home inspector, a specialist is a contractor who has a license in the specific area of expertise (e.g., a foundation specialist, sewer specialist, etc.). A specialist will be able to give you a specific and detailed breakdown on possible repair issues regarding an item of concern. They can often provide you with estimates on costs.

### **What questions should I ask a professional home inspector before hiring one?**

Below is a list of 14 key questions to ask a general home inspector before hiring one:

1. What type of licenses, certificates or designations do you hold?
2. What is the scope of your inspection? How detailed will the inspection be?
3. How many inspections do you do per year on residential homes like ours?
4. How long does the actual on-site inspection normally take?
5. Will you allow us to accompany you on the inspection?
6. What type of report will we receive and will it include estimates of costs to correct defects?
7. Do you carry errors-and-omissions insurance or give any warranties/guarantees?
8. How much does an inspection cost for a property like ours?
9. How quickly will you provide us with a written report?
10. Do you have a list of past customers and clients that we may call as referrals?

11. What scientific instruments are used – such as moisture detectors, combustible gas detectors, and electromagnetic detectors?
12. Will your written report include color photographs or video?
13. Which professional organizations or affiliations are you a member of?
14. Are you involved in any other businesses, such as home repair, that represent a conflict of interest?

### **Should I be present during the inspection?**

Absolutely! It's not required, but it is very much to your advantage. You'll be able to clearly understand the inspection report and know exactly which areas need attention. The inspection usually takes about 3 hours. Hint: wear your Saturday work clothes and sturdy shoes.

Plus, you can get answers to many questions and tips for maintenance and a lot of general information that will help you when you move into your new home. Most important, you'll see the home through the eyes of an objective third party.

Your professional home inspector will visually examine all parts of a house and property on both the interior and exterior!

Items on your inspection report will include...

### **Inspection Checklist:**

- FOUNDATIONS, BASEMENTS, AND STRUCTURES**  
Basement floor and walls, proper drainage and ventilation, evidence of water seepage.
- EXTERIOR SIDING, WINDOWS, DOORS**  
Exterior walls, windows, and doors; porches, decks, and balconies; garage.
- ROOF**  
Roof type and material, condition of gutters and downspouts.
- INTERIOR PLUMBING SYSTEM**  
Hot and cold water systems; the waste system and sewage disposal; water pressure and flow; and hot water equipment.
- ELECTRICAL SYSTEM**  
Type of service, the number of circuits, type of protection, outlet grounding, and the load balance.
- CENTRAL HEATING & COOLING SYSTEM**  
Energy sources, heating equipment, age, capacity, and distribution.
- INTERIOR WALLS, CEILINGS, FLOORS, WINDOWS, AND DOORS**  
Wall, floors, ceilings, stairways, cabinets, and countertops.
- ATTIC**  
Structural, insulation, and ventilation information.

- FIREPLACE**  
Notes about the chimney, damper, and masonry and cleaning.
- GARAGE**  
Doors, walls, floor, opener.
- APPLIANCES**  
Including a wide range of built-in and other home appliances, smoke detectors and television/cable hookups.
- LOT AND LANDSCAPING**  
Ground slope away from foundation, condition of walks, steps, driveway.

### **Are there any other inspections I need to have done?**

In addition to the overall inspection, depending upon the neighborhood where you're buying, you may wish to have a separate test conducted to check for termites. Talk to your real estate agent for information about these tests and to companies in the area that perform them. Often the Seller may offer to pay for the initial report.

### **Do I need to talk to an insurance agent?**

Yes, and the sooner, the better. Most insurance professionals have a lot of experience in working with homeowners and can offer useful tips about home ownership, particularly regarding home safety and keeping your premiums low.

Once you've found a home, work together to develop a homeowner's policy that meets your individual insurance needs. You'll need to bring proof that you have a paid-up policy in place for your mortgage lender when you go to your lawyer's office to sign all the closing documents.

Ask us for some recommendations for insurance agents...realtors have dealt with several in their years of experience.

### **When I've found the home I like, how do I make an offer?**

When you've found a special house you want to call home, you'll probably feel excited and a bit nervous. We are ready to help you through this important time. In order to submit an offer, you will need to complete a "California Residential Purchase Agreement and Joint Escrow Instructions." This written document is a legally binding contract that you will sign and date and will declare how much you will pay for the home provided that certain conditions are met.

Your offer will have a time limit for the seller to accept, reject, or make a counter-offer. If a counter-offer is made, you will have a short period of time to respond. Often, offers go back and forth until accepted or one party decides to end negotiations.

Be prepared to encounter a phenomenon called "*buyer's remorse*". This occurs after you make a large purchase of anything, let alone a house. You will ask yourself "Did I make the right decision?" The answer is, "YES"...consider this self-analysis to be entirely normal!

### **How do I determine the amount of my initial offer?**

There is really no rule to use in calculating a realistic offer. Naturally the buyer wants the best price, but negotiations can be influenced by many factors.

After you've looked at the home's features, asked questions, checked comparable sales in the neighborhood, and talked about it with your agent, you should have a good idea of what the home's value is in the current market. You should pay close attention to the sales price to list price ratio in the neighborhood to give you a rough idea.

### **Consider what you can afford and make an offer that's fair.**

Most buyers and sellers negotiate on price, with both sides "giving" a little until both agree. When the price is agreed upon, both parties will initial the paperwork. Our skills are in negotiating a fair price for you...so use those skills to the fullest!

Once an offer has been accepted is now that you and your agent typically begin the process of arranging an inspection and applying for a mortgage. Often you can be pre-approved for a mortgage prior to signing an offer.

### **What's a "deposit" and how much do I need?**

When you sign an offer to purchase, the seller will require a deposit called an "earnest money" or "initial deposit". The deposit is money that shows you are serious about wanting to buy. The amount of the earnest money deposit will depend upon several factors including the property type and condition, value of the property being purchased and how strong you want your offer to be perceived by the Seller. Usually, this amount is customarily around 3% of the purchase price but is typically no less than \$1,000.

According to the standard purchase agreement, the earnest money deposit must be received by the specified Escrow company within 3 business days after mutual acceptance of the purchase agreement. Therefore, your deposit funds must be made readily available before you consider signing an offer.

These funds will be included as part of your down payment. If for any reasons, during the sales process the conditions of the purchase were not met, you will get back your deposit.

Keep in mind, though, that if you back out of an offer once it's accepted and all conditions have been removed, you may forfeit the full amount of the deposit and may be liable for other costs incurred by the seller.

### **Is there any way I can protect myself against emergency repair bills in my new home?**

Yes. **Home Warranties** offer you protection against many potentially costly problems not covered by your homeowner's insurance.

They've become increasingly popular in recent years and for a good reason: the coverage can save you thousands in the event of a major mechanical breakdown, at a time when your cash reserves have been depleted by your down payment and moving expenses.

**There's so much to remember... what do I have to do?**

Your agent can help you with many of these things and a good realtor will keep in close contact with you right through the closing period!

**Here's a partial closing checklist...**

- Are all the necessary inspections complete?
- Are all the required repairs complete?
- Is your insurance policy paid up and ready to go into effect on the day you close?
- What form of check can you use (and who should it be made out to) to pay for the closing costs?
- Have you made arrangements to transfer utilities to your name?
- Have you arranged for a move-in date?
- Have you changed mailing addresses?

### **Is there anything I should do immediately after closing?**

The first thing you'll want to do is have the **locks changed**. As part of the iRealty Pro Buyer Advantage, we will pay for our preferred locksmith to re-key your locks as soon as you are ready. Also, if you haven't done so beforehand, make sure that all your utilities have been switched on and are now in your name (electricity, gas, water, telephone and cable television).

A couple of months after the completion of the sale, you should a copy of the recorded deed from the County Tax Assessors office. Remember to put your deed, survey, insurance papers and other important paperwork from the closing in a secure place, preferably a safety deposit box. Even though it's all on file at the registry office, it's smart to know where your copies are and that you have access to them at all times.

## What Are The Advantages Of Using A Real Estate Agent To Help Me Buy A Home?

Buying a home is certainly one of the most rewarding experiences most of us ever have; it's also one of the most challenging.

If you're buying for the first time, the process may seem overwhelming. And even if you've been through it several times, every move is different and presents new challenges.

One clear advantage of enlisting the help of an agent is simply that you don't have to "go it alone."

A good agent has the training, the know-how, and the experience to help you through each step of the process and to make the process of finding, buying, and moving into your new home as smooth, quick, and enjoyable as it can be.

Another advantage is that real estate agents are a valuable source of information about market trends, neighborhoods and especially information about homes for sale throughout the areas in which you're interested.

Another advantage is that, in general, all of these services come to you FREE of any charge or obligation.

It used to be thought that, legally, all real estate agents involved in a given transaction work for the seller and they were paid by the seller (the vast majority of agents today are still paid by the seller); however, the law has become clearer in this area.

Now, with proper disclosure, the agent, salesperson or broker works for the buyer that they choose to represent. There is usually no cost to the buyer. It puts you in a "win-win" situation.

In order to get the process moving you will have a Buyer Consultation Interview with us. Why? Simple – because no one likes to waste time but that's what many purchasers do. They don't take the time to sit down with their realtor to learn about the home buying process and let the realtor know, in great detail, what their housing needs are. That's what a Buyer Consultation is all about.

Through the experience of working with many buyers over several years, we have become skilled in (and enjoy) teaching you about the whole process and listening to your needs. Even if you have purchased a property in the recent past, a quick review might be in order to refresh everything in your mind!

At a Buyer Consultation meeting, you should be prepared to do the following:

1. **Answer several questions designed to give an agent information about what experience you've had in *home purchasing* and your knowledge of the home buying process.**
2. Discuss your cost of living and how much you can afford each month.
3. **Discuss the various types of mortgages that can be arranged, what they mean, specific terms and conditions within those mortgages, and methods of paying.**
4. Determine the amount of down payment and discuss the various sources of down payment.

This will tell you what your total monthly payments will be for principal, interest, realty taxes and approximations for utility bills or condo fees. We ask the question, “Can you afford this much monthly or should we look for a house in a lower price range?”

5. **Fill out a “Buyer’s Cash Required on Closing” sheet to determine what your total dollar needs will be on closing day.**
6. Do a walk-through of the complete home buying process:
  - a) What is the size of deposit required with an offer? When is the balance of the actual “cash” needed?
  - b) Review some of the special clauses and conditions that should be included in your offer, such as Home Inspection and Financing.
7. **How offers are presented and counter-signed.**
8. Review the complete range of services that we offer to you:
  - a) Many years of successful real estate experience and offer negotiation.
  - b) Assistance in qualifying and obtaining mortgage financing.
  - c) Construction and renovation experience to assist in answering any technical questions the buyer might have. Knowledge of building/renovation restrictions in each area.
  - d) Amount of detail and effort by the staff which goes into each showing: preparation of individual showing packages, real estate printouts
  - e) The goal is to aid you in becoming a very informed purchaser, who will feel confident when the time comes to sign an offer and purchase your new home!
9. **Agreement to hire us as your “Realtor for Life”:  
We commit to providing top-quality service and the resources of years of experience to help you, the buyer, obtain the home of your dreams.**

**You, in return, commit to use our service exclusively. With our SATISFACTION GUARANTEED, if you are not 100% satisfied with our home buying service, you may fire our Team at any time with a quick and easy phone call before negotiations for a home begins.**

10. Now we list the specifics of exactly what features you want in your new home, keeping reality in mind, based on what we have learned about what price range you feel most comfortable purchasing a home in.
11. **Next, we go through a simple “BUYER QUESTIONNAIRE”**

By answering the following questions, you are able to give us an overall picture of your situation . . . what your goals are and what your financial situation is. We'll help in clarifying any details for you.

**Where do you presently live?**

What is the fastest ways to get a hold of you? Home phone, work phone, cell phone, Fax number, e-mail address?

Do you RENT or OWN now? Do you have to sell a house first?

**What do you like or dislike most about where you are now?**

**Why have you decided to BUY here at this time?**

How long have you been SERIOUSLY looking for a home?

**What features are you looking for in a home?**

Is there anything keeping you from buying in the next 60 days?

**What would be the ideal date to MOVE to your new home?**

Have you ever tried to buy a home before?

**Are you working with any other REALTORS right now?**

Are you willing to work with just ONE experienced realtor exclusively?

**Have you seen any homes already? Did you like any of them?**

Where were they? Who showed them to you? What did you like most about them?

**Are you out looking every day 1 week/month? How often?**

Is there anything else you can tell me about yourself that would help me find you a home?

**What sort of down payment are you working with? Where is it coming from?**

Have you been on the job for at least two years?

**What price range have you been considering?**

What is the most you would feel comfortable with paying on a monthly basis for mortgage payments?

If we added in \$\_\_\_\_\_ for taxes and \$\_\_\_\_\_ for utilities or condo fees to that figure, we would get a total of \$\_\_\_\_\_ per month!

**Can you pay that much monthly?**

If we went out tomorrow and found the PERFECT home for you, is there any reason why you wouldn't be in a position to proceed with signing an offer on that property?

**Is there anyone else (family or friend) that you would want to take a look at your favorite home? Is there anyone else involved with your decision making process that is not present today?**

Have you talked to anyone about how much financing you qualify for? If YES . . . who and how much? **We STRONGLY recommend using a local Lender!**

12. Finally, we run through a list of specialized services that we provide.

The following is a list of many of the services regularly provided by us to help our clients feel comfortable with the process of finding and purchasing a home. Please ask us to perform any of the below listed services that we may be able to provide.

**Explain the benefits of our Buyer Advantage Program.**

Explain the benefit of having a Buyer Agent negotiate on your behalf.

Determine the approximate price range for which the buyer can qualify.

**Describe the unique services our preferred lender affiliates can provide for you.**

Provide ideas for alternate methods of finance or purchase.

**Explain the use and benefit of a lender pre-approval letter.**

Provide a choice of several lenders.

**Review your financial and personal plans as they relate to real estate.**

Make sure you are buying a home that meets your needs.

**Provide you with an “Agency Disclosure Statement”.**

Explain the Agency Disclosure Statement.

**Assist in developing a prioritized list of home selection criteria.**

Keep track of those criteria when analyzing various properties.

Help to determine the most advantageous time to make an offer.

**Help to determine the most advantageous time to close your transaction.**

Provide a sample copy of the purchase agreement for you to study.

**Provide a list of appropriate neighborhoods in your price range.**

Provide information on local schools.

Search the MLS for appropriate properties.

Provide you our Exclusive list of Foreclosure properties, if requested.

Arrange to show the homes you pre-select.

**Efficiently show appropriate homes at times convenient to you.**

Share personal knowledge about local history, weather, political activity, or other factors which may affect your purchasing decision.

**Explain real estate terminology throughout the home buying process.**

Discuss the benefits and drawbacks of various styles of homes.

**Describe how the orientation of the home may affect its comfort.**

Show you how to add value to a home that may not be perfect, but has most of the features you require.

**Act as a “sounding board” in your decision making process.**

Provide a “Comparative Market Analysis” to determine an appropriate offering price.

**Write an offer which will best meet your needs and protect your interests.**

Explain the significance of various clauses in the agreement.

**Explain the lender’s appraisal process.**

Make sure that events and conditions agreed upon in the contract can be realistically performed within time limits provided.

Explain how offers to purchase property are presented.

**Make an appointment to present your offer**

Present your offer to the seller in a professional manner.

**Add credibility to your offer by confirming your ability to perform under the terms of the agreement.**

Negotiate any areas of objection with the seller.

**Explain the possibility of “multiple offers”.**

Structure your offer for maximum impact in multiple offer situations.

**Recalculate costs and monthly payments, in the event of a counter offer from the seller.**

Verify significant representations by the seller.

**Provide a list of reputable companies for home inspection.**

Provide a list of reputable companies for pest control inspection.

**Provide a list of Title Companies to assist you in closing the transaction.**

When there is a well, provide the required clauses to protect your interest in the proposed transaction.

**When there is a septic system, provide the required clauses to protect your interest in the proposed transaction.**

If requested, provide a list of reputable companies for environmental inspection.

**Make arrangements for the various inspections, as required.**

Be present, if possible, when inspections are conducted to add clarity to written report. Inspections usually take place during the workday.

**Help interpret which report items are relatively minor and which require further clarification.**

Assist in finding the solutions to problems in reports.

**Re-negotiate with seller to pay for items shown to be deficient in reports.**

Arrange, as requested, to have another expert give an opinion in cases where experts express differing opinions.

**Arrange for repairs, as necessary.**

Gather information about any items disclosed which may be of concern.

**Rewrite the contract, as needed.**

Obtain a receipt or deposit the purchaser's contract deposit.

**Review terms, price and projected closing date with the purchasers and the Title Companies as required.**

**Inform all parties to the transaction how to contact those they may have a need to contact.**

Explain any Covenants, Conditions and Restrictions, as required.

**Make sure that pending sales have been reported to MLS, as required.**

Closely follow deadlines listed in the contract. Errors in timing can nullify the agreement.

**Work with lender to provide information and approvals as stipulated.**

Provide regular updates on the closing progress to buyer, as required.

**Arrange for buyers to inspect the property again, as needed.**

Explain the protections provided by a Home Warranty Plan.

**Ensure your provided a Home Warranty policy to protect you against any expensive repair costs or defects that you may incur during the first 12 months of homeownership.**

Explain Home Owner's insurance requirements.

**Assist in arranging for Home Owner's insurance, as requested.**

Provide a list of reputable moving companies, as requested.

**Provide a list of telephone numbers for the local gas, electric, water, garbage, and cable TV companies.**

Arrange for a smooth transfer in utility service from seller to buyer.

**Help buyer locate temporary housing, as needed.**

Assist buyers in locating reliable childcare, as requested.

**Coordinate move out by seller and move in by buyer.**

Negotiate Interim Occupancy Agreement, as required.

**Draw up a rental agreement if seller needs to stay after the transaction closes.**

Conduct a final "walk through" property inspection to assure that nothing significant has changed since the Purchase Agreement was signed.

**Make arrangements to rectify any problems discovered during walk through.**

Provide written explanation of the various ways to hold title to real property.

**At all times, protect the buyer's interest.**

## **Here's What I Promise to Do for YOU!**

Since any real estate transaction is based upon the mutual cooperation of the real estate agent and the client, we believe that, to achieve your goal of acquiring your new property at the best purchase price possible in the shortest amount of time, the Purchaser and their realtor must work closely and openly together!

At the Buyer Consultation Interview, we've now determined your true home buying needs, selected the best neighborhoods to look for your new home, and calculated the correct purchase price range and monthly payment terms that are most affordable for you.

- 1. With your Agreement, I will enroll you into our unique Buyers Advantage Program. We have one commitment when working with you and that is to exceed your expectations while getting you the best possible price, terms and conditions when you buy a home. With our Buyers Advantage Program we ensure that you get the most house for the least amount of money. Your enrollment into our unique service will ensure a variety of proprietary consumer programs and services, and instant enrollment into our Raving Fan Club.**
- 2. I will provide, on a weekly/daily basis, lists of available properties, which will be sent (emailed) to you for your "drive-by" approval. Because we take a proactive approach to locate the right home for you, we may know about potential sellers before anyone else. We may locate or receive many of these leads first. Therefore, our buyers are provided with opportunities to purchase properties at the very best prices, which is to your advantage.**
- 3. Once you have selected 2-5 prime homes from your drive-by list, we will set up appointments to see the interior of these properties at a time convenient to you.**

**You will be provided with a copy of the MLS listing for each of the properties viewed. Home buying is often a process of elimination. If the answer to the question, "*Can you see yourself living here?*" is YES, then we will check the computer for comparables to determine what the true market value of the property is. This will guide us as to what price to offer the seller for that home.**

- 4. Once you have narrowed your home search to 1-2 preferred neighborhoods of approximately 300 homes, we will search beyond the MLS listings of properties marketed by real estate professionals. We will then begin an aggressive campaign to locate homes listed by For Sale By Owners, home sellers from past expired listings, and homeowners in the neighborhood who may potentially want or need to sell. We will promptly inform you of properties that might meet your needs and give you an exclusive opportunity to purchase them even though they are not currently on the market.**

## **Here's What Your Obligations Are!**

As homebuyers, and in your own best interest, you agree to work exclusively with us, and with no other realtor to view properties for sale and assist us in the negotiation and purchase of your home.

You agree to be pre-approved with a lender within (5) days of signing this Agreement. We strongly urge you to work with the iRealty Pro Home Selling Team preferred Lender. Our preferred lender has agreed to provide our clients with the best possible rates and terms in the industry. We have negotiated with the lender to provide you additional discounts and financial assistance if you elect to obtain financing through our preferred lender.

You agree to not go into any open house held by any other realtor unless you have given the Open House realtor one of our business cards first. This allows the Open House realtor to respect the fact that you are registered as a Buyer with us.

You understand, that if you go into an Open House without showing our business card or see any property with any other realtor, you may have seriously jeopardized our ability to negotiate the best price and terms and may have weakened our ability to represent you fully in the purchase of your new home. Innocent curiosity may lead to unnecessary complications.

### **CALL US FIRST IF YOU WANT TO KNOW ABOUT A SPECIFIC PROPERTY!**

You should always carry a supply of our business cards which must be given to any cooperating agent at an open house (including model homes or new construction projects). This will facilitate the agent's cooperation.

You agree to tell our office if they would like to see a house that is "For Sale by Owner," since we are able to show those homes as well!

You should keep our office informed of any changes in down payment sources or income sources – it is vital for your home buying success that we are kept informed of any impending layoffs, terminations, or changes in down payment sources.

You agree that all derogatory credit items must be disclosed immediately to us. Derogatory credit items in themselves may not prevent a purchase of a property, however, early disclosure will allow us to use our expertise and the experience of our lender team member to diffuse any credit problems.

You understand that lenders may ask for detailed personal financial information! Do not become frustrated by their requests. Your complete and utter cooperation will ensure that you will obtain the financing you want and eliminate any risk of your losing the home of your dreams and any

investment you had made toward your purchase. Remember, those who have the “cash” make the rules!

You understand that during the escrow process, you are required to read and review all documents and complete all escrow papers and disclosure documents in a prompt manner. Time is of the essence in all real estate transactions, so it is imperative that you approve or disapprove any and all conditions in a timely manner. You understand that failing to meet your obligations in the timeframes outlined in a purchase agreement may result in a forfeiture of the your initial deposit.

It is our goal to have you become our Client for Life; we would like to be an asset and a resource to you for many years in the future. Once you've made a commitment to us, it's a win-win situation.

- 1. You don't pay any fees directly to us yet you get the full benefit of many years of experience.**
- 3. There's no pressure...because you've made a promise and a commitment to work only with us to buy your home, we can now give you a commitment of our full resources and expertise to help you!**

### **Here's How We Organize Everything to Maximize the Benefit to You!**

1. When driving by homes of interest that are listed by any company whatsoever, you, the buyer, agree to write down the street address and the listing company's name and phone number from the sign and call your exclusive buyer representative as soon as possible. Our goal is to get you information quickly that you can use to the best of your advantage.

We will immediately get the information about the list price and features of these properties to save you the time and the hassle of calling several different realtor's offices. If any of these homes fit your needs and price range we will make arrangements to get you into the home as soon as possible.

When scanning the real estate section of the newspaper or any other source of property for sale information, if you see an ad that looks interesting to you, you agree to write down the listing agent and company's name and phone number and the top line of the ad (for reference purposes) and call your exclusive Agent as soon as possible.

You agree to keep your "eyes open" for any potential properties that may become available in any of your target neighborhoods. Sometimes with your assistance, we are able to contact the Seller before they list with another real estate agent often resulting in large financial savings to you.

2. We always suggest using the following priorities to determine whether or not a property is appropriate for you to put in an offer:
  - a. List Price related to other neighborhood values
  - b. Resale value
  - c. Interior condition
  - d. Overall neighborhood
  - e. A comparison of all these factors related to the purchaser's personal financial situation (down payment available and ability to pay monthly)

Remember, buying a home necessitates making a series of compromises and being realistic...sacrificing this to get that, etc!

3. Once you have made some basic decisions about which area you want to relocate to and/or you found a home that best suits your needs the next step would be to have at a pre-negotiation conversation with your realtor which would include discussing how the offer presentation process works, what clauses go into an offer, the requirement for providing a significant deposit with the offer, and determining all of the buyer's closing costs (Buyer's Cash Required on Closing form). Thereafter, you will be able and expected to make decisions rapidly.
4. When you have selected a property to put on offer on, we will prepare a purchaser's Closing Cost estimate for that property. Therefore, you will always be aware of the total closing costs, estimates for utility costs, and their monthly principal, interest, taxes, and insurance payments. As our client, we want you to be fully informed and aware of the hidden costs of homeownership. Only with this detailed analysis can you make the proper decision.
5. You have now "hired" the best negotiating experience. Over the years, our Team has developed an ability to obtain the very best price and terms for our clients resulting in an average savings of OVER \$10,000 per buyer.

There are three (3) outcomes to an offer. Those outcomes could be an acceptance, a rejection, or a counter-offer. Because of a wide variety of experience, we can discuss with you what to expect from any of the three (3) outcomes

6. Once the initial Agreement of Purchase and Sale has been signed, you must commit to always being located; whenever possible, via phone, fax or email. Very often we may be presenting offers with competition from other agents (meaning other purchasers have put in an offer on the same property). The decision making process must be facilitated by quick access to you. **Therefore, once you have submitted an offer on a property you must be physically near a phone, email or fax number! Time and Time again, we have experienced that obtaining the winning offers can be attributed to two reasons: a) being fully organized and prepared and, b) responding quickly in negotiations.**

7. Should you not find a home or investment that meets your needs, after being personally toured through the interior of ten (10) to (15) possible properties, we will meet with you again to ensure we understand your real estate needs and goals and devise a new strategy to meet your goals. Remember, buying a home is always a series of compromises... conditions vs. price, location vs. size vs. price, etc!
8. If at any time you feel that you cannot abide by any of these conditions, please notify us immediately of your concerns and we will then release you from any further obligation to work with the Lynette Williams Home Selling Team.

**MY SERVICES COME WITH A SATISFACTION GUARANTEE.**

You have the right to fire me at any time before negotiations for a home begins.

9. Our team will utilize all our experience and resources to ensure that we are on track to meet your ideal closing date; however, you understand that closing dates should be somewhat negotiable. There always has to be some flexibility in the move-in date (another compromise) to match the Lender and Seller's personal situations.

Our ideal closing date is\_\_\_\_\_.

10. Once your offer has been accepted and all conditions have been removed, if you are completely satisfied with our assistance in purchasing your new home, we will appreciate the completion of a Client Survey from you to assist us in continuing to provide exceptional service to our clients. If you feel our Team has provided exceptional service, we will ask you to provide us with a Testimonial Letter as well.
11. We agree to be available at any time for questions you may have.

**Some Other Suggestions  
To Make This a Fun Experience...**

1. Our Team understands that buying a home can often be a stressful experience, so we want you to promise to speak with our office the moment a concern arises. You will not let disappointments, if any, build to the point of distress.
2. Keeping you informed is our key to success. You are in agreement that contact initiated by our office every 4-6 days is enough to keep you fully informed. However, in busy markets where decisions must be made quickly, sometimes minutes make the difference between an accepted offer and a lost opportunity
3. You agree to contact us immediately if a change in your desire to move occurs (faster closing, longer closing, or a decision not to buy at this time).
4. You agree to provide property tour sheets of "likes" and "dislikes" on every property that is not purchased so that we can attempt to eliminate properties with these negatives for future showings

5. You agree to keep our office informed of your itinerary when traveling during the home finding/purchasing process. By keeping us informed of your schedule, we can make alternate arrangements if a good deal in a home that is right for you should come available during your travels.
6. You agree not to contact the listing agent or the Seller about the property unless specifically pre-arranged. Remember, anything you say can be used to your detriment in the negotiation process.
7. You agree to return our phone calls immediately. Sometimes only hours or minutes make the difference between submitting a lost opportunity
8. You understand that taking occupancy prior to closing is a procedure that we do NOT endorse. Because of its liability potential to you, we do not recommend this procedure.
9. You agree to arrange, if possible, an answering machine or voice mail, fax # and/or e-mail to take messages so that our office can have easy access to you. When we locate the right home at a great value, remember time is of the essence. You will often be competing with other buyers in purchasing the home.
10. You agree that you will be available to reasonably inspect homes during the week as well as the weekends.

**Let's go out and find you a dream home!**

## Ten Important Items to Take the Stress Out of the Home Buying Process

1. iRealty Professionals understands that home buying is not only a big financial commitment, but also an emotional one. As your Buyer Representative, we are sympathetic to any issues or concerns you might have during the home buying process. As such, we communicate with you regularly and are always available to address any concerns you might have.
2. Remember, there's no "right" time to buy, any more than there is a right time to sell. If you find a home now, don't try to second-guess the interest rates or the housing market by waiting. Changes don't usually occur fast enough to make that much difference in price, and a good home won't stay on the market long.
3. Don't ask for too many opinions. It's natural to want reassurance for such a big decision, but too many ideas will make it much harder to make a decision. Remember, you have hired us to be your professional buyer's agent. We will provide you all the necessary information you need to make an informed decision. More importantly, we are here, if needed, to provide emotional support as well.
4. Accept that no house is ever perfect. Focus in on the things that are most important to you and let the minor ones go. Before deciding to pass on a home, ask yourself three important questions: 1) What did I like about the property; 2) What, if anything, would I want or need to change; and 3) If the price were right, could I see myself owning this property? If yes, at what price?
5. Don't try to be a killer negotiator. Negotiation is definitely a part of the real estate process, but trying to "win" by getting an extra-low price may lose you the home you love.
6. Remember your home doesn't exist in a vacuum. Don't get so caught up in the physical aspects of the house itself—room size, kitchen—that you forget such issues as amenities, noise level, etc., that have a big impact on what it's like to live in your new home.
7. Don't wait until you've found a home and made an offer to get approved for a mortgage, investigate insurance availability, and consider a schedule for moving. Presenting an offer contingent on a lot of unresolved issues will make your bid much less attractive to sellers.
8. Factor in maintenance and repair costs in your post-home buying budget. Even if you buy a new home, there will be some costs. Don't leave yourself short and let your home deteriorate.
9. Accept that a little buyer's remorse is inevitable and will probably pass. Buying a home, especially for the first time, is a big commitment, but it also yields big benefits.
10. Choose a home first because you love it; then think about appreciation. While U.S. homes have appreciated an average of 5.4 percent annually over from 1998 to 2002, a home's most important role is as a comfortable, safe place to live.

## Essential Equipment to have when Previewing Homes

- Your list of what you want and need in a house.
- A tape measure to get room measurements for a house you are seriously considering.
- A digital camera. It is best to take pictures of a home you are considering when you are touring the home so that you can remember its features.
- A list of the most essential pieces of furniture you will be moving into your new home. For sofas and refrigerators, make sure you've written down their width and length.
- Graph paper so you can draw these pieces of furniture into the configurations of the rooms where they might ultimately go.
- A small flashlight so you can examine nooks and crannies
- Your checkbook in case you found the right home and are ready to write an offer.**

## Important Real Estate Terms Your Need To Know!

Before you buy a piece of property, you should familiarize yourself with the terms of the business so that you will be speaking the same “language” as the professionals in the field!

While these definitions may be somewhat different than could be found in a dictionary (to a text book type definition of each term), what is presented here are the general meaning understandings for the terms set out.

**Adjustments:** Adjustments may be property taxes (either unpaid or paid in advance), electricity, gas or other fuel, condo fees, or mortgage interest already paid out for future service. These must be pro-rated and be credited on closing to the appropriate side of the transaction. This can involve an expenditure of several hundred dollars payable on the closing date when the sale is completed.

**Agreement of Purchase and Sale (Offer to Purchase):** A contract by which one party agrees to sell and another agrees to purchase. The contract may be firm (no conditions attached) or conditional (certain conditions must be fulfilled).

**Amortization Schedule:** A schedule, which, if met, will lead to the extinguishing of debt, with equal payments at regular intervals over a period of time. (For example – an amortization schedule may separate out the monthly portions for both principal and interest and how much of the allocated to each. It also shows the unpaid principal balance). The amortization is the number of years that it will take to pay off the loan, were the interest rate to remain constant.

**Appraisal:** An estimate of quantity, quality, or value. The process through which conclusions of property value or property facts are obtained; also commonly the report setting forth such estimate and conclusion. Many appraisals are done for mortgage lending purposes and may not match the sale price of the property.

**Assessed value:** A valuation placed upon property by the state, as a basis for municipal taxation. In the recent past and in some areas currently, a local/municipal assessor may assess the value.

**Assumption of Mortgage:** When a purchaser takes ownership encumbered with a mortgage he may assume the responsibility as the guarantor for the unpaid balance of the mortgage. Such a purchaser is liable for the mortgage repayment.

**Buy down:** Used in conjunction with the lowering of the rate of interest to be paid during the term of the mortgage by the advanced payment of a portion of the interest rate. Often the vendor effectively lowers the interest rate of a mortgage by prepaying a portion of the interest to be paid during the term of the mortgage.

**Chain of Title:** The succession of conveyances from some accepted starting point whereby the present holder of the real property derives his title.

**Closing:** The point (in time) of a real estate transaction when the seller transfers title to the purchaser in exchange for the purchase price.

**Closing Date:** The date specified in the Agreement of Purchase and Sale when the purchaser delivers the balance of money due and the seller delivers a deed and vacant possession of the property (unless otherwise agreed).

**Closing Statement:** A listing of the debits and credits of the purchaser and the vendor to a real estate transaction for the financial settlement of the transaction.

**Commission:** Payment for the performance of specific duties; in real estate, usually payment measured by a percentage of another sum – as a percentage of the sale price paid for selling a property.

**Condition:** A condition in a contract calling for the happening of some event or performance of some act before the agreement becomes firm and binding on all the parties.

**Conditional Offer:** An Agreement of Purchase and Sale may be subject to specific conditions. These conditions could be the arranging of a mortgage, home inspection or the selling of an existing home. There is always a time limit stipulated within which the specified conditions must be met.

**Condominium:** A form of property ownership providing for individual ownership of a specific apartment or other space not necessarily on the ground level together with an undivided interest in the land or other parts of the structure in common with other owners.

**Contract:** An agreement entered into by two or more parties by the terms of which one or more of the parties, for a consideration, undertakes to do or refrain from doing some act or acts in accordance with the wishes of the other party or parties. A contract to be valid and binding must (1) be entered into by competent parties (2) be bound by a consideration (3) possess mutuality (4) represent an actual meeting of the minds and (5) cover a legal and moral act.

**Covenant:** An agreement written into deeds and other instruments promising performance or non-performance of certain acts or stipulating certain uses or non uses of the property.

**Deed:** An instrument in writing which, when executed and delivered conveys an estate in real property, signed by the vendor and purchaser, transferring ownership. This document is then registered against the property as evidence of ownership.

**Deposit:** Payment of money or other valuable consideration as pledge for fulfillment of contract; may be given as a “piece of paper” when the offer is signed and converted to a bank draft or other form of payment once the offer has been accepted.

**Easement:** The unauthorized extension of boundaries of land (for example, when a homeowner puts up a fence over the lot line and “takes over” some of the neighbor’s property). The act of trespassing upon the domain of another and may be a partial or gradual invasion or intrusion.

**Encumbrances:** Outstanding claim or lien recorded against property or any legal right to the use of the property by another person who is not the owner. Restrictions, easements and reservations are encumbrances, although not liens.

**Estate:** A right in property. An estate in land is the degree, nature or extent of interest which a person has in it.

**Fair Market Value:** The highest price, in terms of money, that the property will bring to a willing seller, if exposed for sale on the open market while allowing a reasonable time to find a willing purchaser, buying with the knowledge of all the uses, and with neither party acting under necessity, compulsion or peculiar and special circumstances. Fair Value: Value that is reasonable and consistent with all the known facts.

**First Mortgage:** A mortgage, which has priority as a lien over all other mortgages.

**Home Inspection:** Examination of the house by an expert selected by the purchaser.

**Insurance:** Before the transaction can be closed, the purchaser must have home insurance arranged and in effect.

**Lien:** A charge against property whereby the property is made security for the payment of a debt.

**Mortgage Discharge:** The removal of a mortgage as a lien against the property and is normally accomplished by repaying the debt (and any interest including any penalty, if any). A document should be obtained from the entity to whom the debt was owed. The document should be recorded on the property's title.

**Multiple Listing Service (MLS):** The system in which participating brokers agree that they will offer others (agents) the opportunity to market to varying degrees properties listed with them for sale, lease, or exchange and to pay a stipulated commission to the cooperating broker.

**Option Agreement:** A document stipulating that, in exchange for the payment of a sum of money or other consideration, a specified individual is to be given first chance of buying a property within a specified period of time. If the option-holder does not buy within the specified time, he loses his right and the sum so paid.

**Permanent Fixtures:** Permanent improvements to property that may not be removed upon the sale of the property (furnace, central air conditioning, pool, windows, etc.), unless specifically set out in the Agreement of Purchase and Sale. Usually affixed to structures or land in such a manner that they cannot be independently moved without damage to themselves or the property housing supporting or pertinent to them.

**Power of Attorney:** Written instrument authorizing a person to act for another.

**Real Estate:** Includes real Property, leaseholds or a business whether with or without the building, fixtures, stock-in-trade, goods or chattels in connection with the operation of the business.

**Real Estate Broker or Agent:** An intermediary between the buyer and the seller who is licensed in the state to carry out such activities.

**Real Property:** (1) The combination of the tangible and intangible attributes of land and improvements. Value-wise, it is the sum of the value of the real estate, considered as land and structure and, for example, the tangible value arising by reason of a favorable lease; (2) The real estate plus the rights that go with it; (3) Property and what is on it (immovable).

**Survey:** (1) The accurate mathematical measurement of land and buildings thereon, made with the aid of instruments. (2) The process of ascertaining the quantity and/or location and boundaries of a piece of land. It may include physical features affecting it, such as grades, contours, structures, etc., a statement of the course, distance and quantity of the land.

**Title:** The means of evidence by which the owner of land has lawful ownership thereof; the union of all the elements, which constitute proof of ownership.

**Title Insurance:** An agreement binding the insurer to indemnify the insured for losses sustained by reason of defects in the title to the real estate.

**Trust Account:** Bank account set up by a broker to deposit funds entrusted to him by his buyer.

**Zoning:** Government regulation of land use; regulation by local government under police power of such matters as height, bulk, and use of buildings and use of land intended to accomplish desirable social and economic ends.

## Home Tour Comparison Worksheet

By completing a home tour comparison worksheet, you'll find it easy to locate the "best" home in the least amount of time.

**PROPERTY ADDRESS** \_\_\_\_\_

**LIST PRICE** \_\_\_\_\_

**FEATURES** Do they match my checklist? Yes \_\_\_\_ No \_\_\_\_ Maybe \_\_\_\_

Feature #1 \_\_\_\_\_ Yes \_\_\_\_ No \_\_\_\_ Maybe \_\_\_\_

Feature #2 \_\_\_\_\_ Yes \_\_\_\_ No \_\_\_\_ Maybe \_\_\_\_

Feature #3 \_\_\_\_\_ Yes \_\_\_\_ No \_\_\_\_ Maybe \_\_\_\_

Feature #4 \_\_\_\_\_ Yes \_\_\_\_ No \_\_\_\_ Maybe \_\_\_\_

Feature #5 \_\_\_\_\_ Yes \_\_\_\_ No \_\_\_\_ Maybe \_\_\_\_

Feature #6 \_\_\_\_\_ Yes \_\_\_\_ No \_\_\_\_ Maybe \_\_\_\_

Feature #7 \_\_\_\_\_ Yes \_\_\_\_ No \_\_\_\_ Maybe \_\_\_\_

Feature #8 \_\_\_\_\_ Yes \_\_\_\_ No \_\_\_\_ Maybe \_\_\_\_

Feature #9 \_\_\_\_\_ Yes \_\_\_\_ No \_\_\_\_ Maybe \_\_\_\_

Feature #10 \_\_\_\_\_ Yes \_\_\_\_ No \_\_\_\_ Maybe \_\_\_\_

**LOCATION** Does it match my checklist? Yes \_\_\_\_ No \_\_\_\_ Maybe \_\_\_\_

I would live in this neighborhood! Yes \_\_\_\_ No \_\_\_\_ Maybe \_\_\_\_

This is the home, let's write an offer! Yes \_\_\_\_ No \_\_\_\_ Maybe \_\_\_\_

**Ranks** \_\_\_\_\_

*(After touring each home, please complete the worksheet and email or fax a copy to the iRealty Pro Selling Team so we can continue to refine your home search and provide you with weekly home search reports.)*

## Client Testimonials

“Referring work to you is my way of paying you back for all the hours you have devoted to our various ventures and the education you have given me. I’m a much more sophisticated buyer and Board member because of you! You’re a great realtor!”

*Lyn Corum, 23ed Street, Santa Monica*

“Being first-time homebuyers brings so many questions, and nervousness about the numerous details involved in bringing an Escrow to a successful close. Thankfully for us, we had the expertise and integrity of Lynette Williams to guide and assist us through the whole process. Whenever we needed to understand something, she was so patient with us to explain every detail. Any question we had was important to her - because it was important to us. through the whole process!& and a We feel as if we really couldn't have done it without her, and the fine team of professionals she associates with (Escrow, Mortgage, Title, etc.).Now, as we enjoy the beautiful home that Lynette found for us, and all of its benefits - we often find ourselves saying out loud, "thank you Lynette!”

*M. Rosenblum & S. Bialeck, A rlington Drive, Pasadena*

“She has performed far more than ‘above and beyond the call of duty’. I will not hesitate for a second in recommending her to anyone and everyone I can. She is committed to remaining up-to-date on anything and everything real estate, from current law to current marketing strategies. She is enthusiastic and positive in her approach to her job. She is very proactive and exercises every effort to stave off any potential problem, creating a smooth and secure environment for me, her client.

*Marilyn Walker, 23rd Street , Santa Monica*