

Your Guide To Homeownership

EVERYTHING YOU NEED TO KNOW
ABOUT BUYING A HOME.

BUYER'S GUIDE

REASONS TO BUY A HOME

Deciding whether to jump into the housing market or rent instead is rarely an easy decision – especially if you’re a first-time homebuyer. And even if you’ve bought a home before and are contemplating investing in another, it’s helpful to be reminded of all the wonderful reasons to become a homeowner.

> **Quality of Life**

Our living situation directly impacts how we feel about our quality of life, which is why many people dream of the day they have a home to call their own.

> **Financial Health**

Buying a home is one of the best ways to protect and grow your wealth. Real estate will typically ride out a market’s ups and downs and appreciate with time. You’ll also build equity as you pay down your mortgage.

> **Stability**

Rental prices over the last 10 years in the U.S. have increased by over 42%.* In contrast, your fixed-rate mortgage payments on your home won't rise at all.


> **Tax Deductions**


Homeowners receive tax deductions for mortgage interest and property taxes, which are both deductible on an individual's federal income tax return.


> **Independence**

The freedom to do whatever they wish with their homes is a big incentive for many new homeowners, while others can't wait to get out from under the thumb of their landlord.

*Statistica, Monthly median asking rent for unfurnished apartments in the United States from 1980 to 2023

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YOUR GUIDE TO THE HOME BUYING PROCESS

Buying a home is a big deal—exciting, but a little nerve-wracking too. It's one of the biggest financial moves you'll make, so it's natural to want everything to go smoothly.

That's where I come in. With Keller Williams Space Coast Realty by your side, you can relax knowing that I'll be with you every step of the way, making sure the process is stress-free and enjoyable.

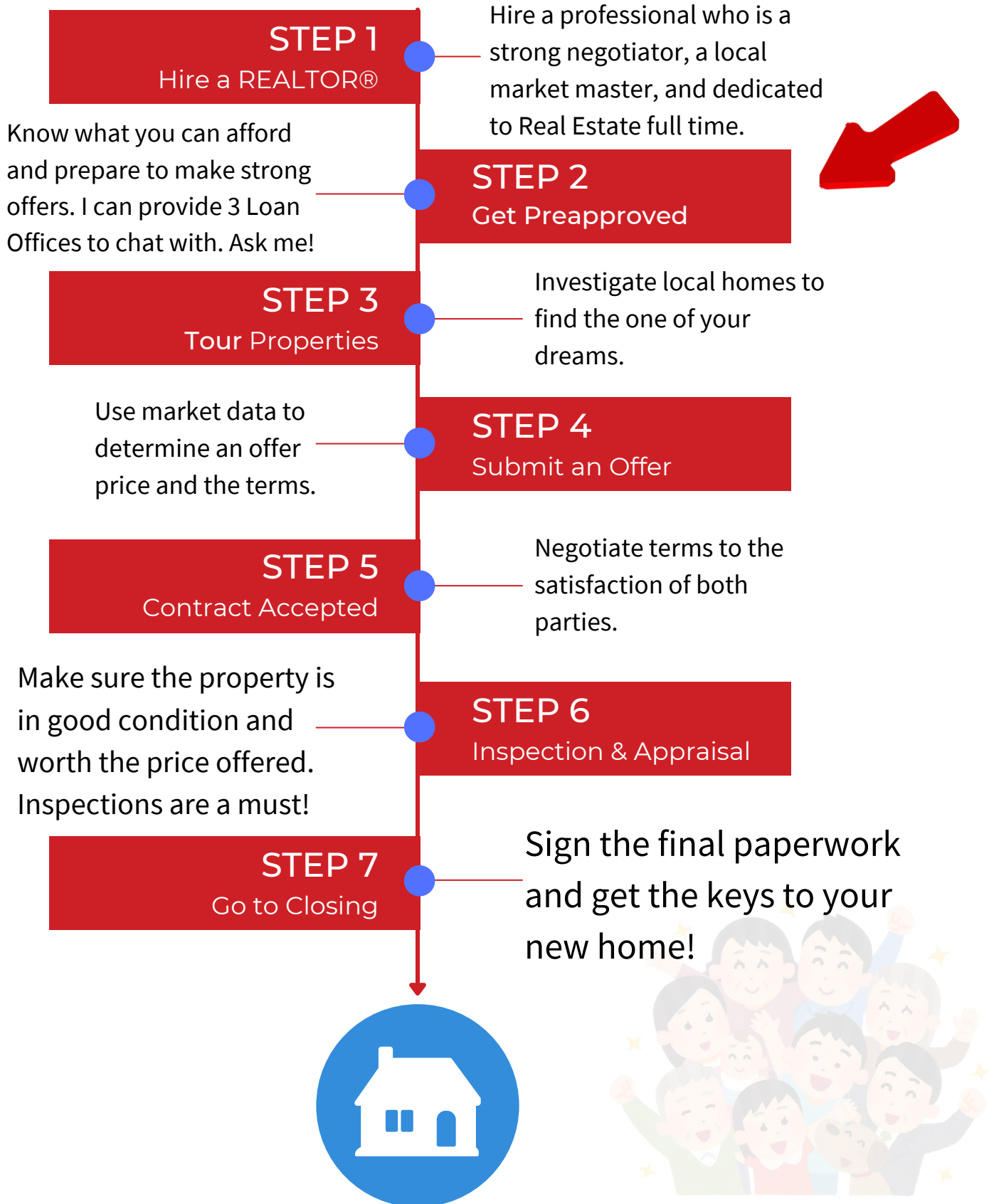
From this day forward, everything I do will be motivated by your goals and how you imagine your life taking place in your new home. Once I get an understanding of where you see yourself, finding your dream home will move quickly, and with minimal interruption to your daily life.

This guide is packed with tips to help you navigate the market & buying process.

Thank you,
Rick B



TIMELINE OF A PURCHASE





BUYER REPRESENTATION BENEFITS


Every home purchase is a unique and complex process, which is why 89% of buyers last year trusted a buyer's agent or broker to guide them.* Here are 10 advantages to having professional buyer representation in your next home purchase:

- 1. Market Expertise:** We're on the pulse of local market dynamics, from pricing trends to desirable neighborhoods, to help you find your perfect home.
- 2. Personalized Strategy:** We dive deep to truly understand your real estate goals and craft a specialized approach to meet your needs and timeline.
- 3. Property Exclusives:** Our expansive network of professionals and off-market listings open doors to unique opportunities that go beyond what you'll find online.
- 4. Negotiation Skills:** We prepare and present competitive offers using advanced negotiation strategies that secure the best terms and sales price for you.
- 5. Risk Reduction:** We help you avoid costly mistakes by navigating the maze of complicated contracts, disclosures, reports, and contingencies.
- 6. Streamlined Experience:** Behind the scenes, we are a whirlwind of activity, handling all the extensive research, coordination, and paperwork.
- 7. Industry Connections:** Our network of professionals, from mortgage brokers to inspectors, works as a team to optimize every step of your home buying journey.
- 8. Emotional Support:** We keep your decisions clear-headed and your outlook positive during the rollercoaster of emotions that is buying a home.
- 9. Dedicated Advocacy:** We are committed to protecting your interests and prioritizing your success throughout your entire buying experience.
- 10. After-Sale Advice:** We'll stay your resource for updates on market trends, tips for home improvements, and more advice to maximize your investment.

*NAR 2023 Profile of Home Buyers and Sellers

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SAVING FOR A DOWN PAYMENT

Your buying power is also impacted by the down payment you plan to make on your next home because the more you're able to put down, the less you will have to borrow. In addition, with a down payment of 20% or more, you won't have to purchase private mortgage insurance (PMI) and you may also be able to negotiate a lower interest rate. You do not always need to have 20% down! A lender will match you up with what offer is best for you, and your current situation.

Read on for advice on how to save for your down payment.


FIRST-TIME BUYERS

**Check out [this informative Blog](#) for a quick and easy 4-part series for homebuyers.

If you're thinking of buying a home one day, one of the first steps to take is to start saving for a down payment. Here are some tips to make saving easier.

- 1. Set a savings goal.** One way to figure out how much to save is to use the average sales price for homes that are similar to what you want and figure out your target down payment percentage.
- 2. Cut back on expenses.** Review your monthly expenses and look for ways to save. Think about items you can live without or cut back on temporarily while you're saving.
- 3. Look for ways to boost your income.** Get a side job or sell items online or at a garage sale to increase your income in a short amount of time. Be sure to save any windfalls you get, including your annual income tax refund or work bonuses.
- 4. Check out home-buying programs.** Your state, county or local government may offer special programs, such as grants, for first-time buyers to use.
- 5. Ask your family.** Twenty-three percent of first-time buyers were given money from family or friends to use toward the down payment of their home.*

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SAVING FOR A DOWN PAYMENT

REPEAT BUYERS

If you're thinking of buying another home, here are more ways to save more money, in addition to the tips listed above:

1. Rent a room. If you have an income flat (or mother-in-law unit) attached to your home, rent it out and channel the income into a high-interest savings account.

2. Make your money work for you. If you don't plan to buy for at least five years, invest it and let the compound interest work for you. Discuss this option with your financial planner or broker to see if this is ideal for you and your goals.


3. Tap into your 401(k). If you have a 401(k) plan, you may be allowed to borrow a portion of it, the lesser of up to \$50,000 or half of its value, for your down payment. Remember, it's a loan so you'll have to pay it back. If you leave or lose your job before you've repaid the loan, you'll have between 60 to 90 days to repay the balance or face stiff taxes and penalties.


INVESTORS


Whether you're buying a second home or a rental property, here are a couple more tips to save for a down payment.

1. Tap into your equity. If you've paid off or paid down your mortgage on your primary home, you may be able to tap into your equity to purchase another property. Contact your lender to learn more about a HELOC or home equity loan.

2. Get a partner. Find a friend or relative who's willing to purchase property with you. Typically, you'll split the costs and profits equally. Just make sure to work with an attorney to create a partnership agreement to fit your situation.

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GETTING PREAPPROVED

In the last year, 80% of buyers financed their home purchase. First-time buyers who financed their home typically financed 91% of their home, and repeat buyers financed 81%. *** If you will need a loan to purchase your next property, the most important step you can take is to get preapproved.**

Getting preapproved gives you clarity on how much you can afford, which makes it crucial to do before you start your home search. You've estimated your buying power already in this guide; a preapproval is concrete proof of that number. Knowing it will ensure that you don't accidentally fall in love with a home outside your budget.


In addition, having a preapproval letter proves to sellers that you are serious about buying and that you will be able to make good on your offer. This is an important competitive advantage in tight markets. You don't want to lose out on the home of your dreams just because someone else had all their ducks in a row and you didn't.


PREAPPROVAL VS PREQUALIFICATION


The two terms are often confused because they are so similar. But in reality, they are very different and it's important that you understand the distinction.

- **Prequalification** — An estimate of how much you could qualify to borrow. It doesn't entail a credit check or official documentation.
- **Preapproval** — Proof of your buying power. It requires a full loan application, a credit check, and documentation regarding your income and assets. Preapproval will make your offer stronger - highly recommended.

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LOAN APPLICATION RULES

Your mortgage loan isn't guaranteed until the final paperwork is signed. To ensure a smooth loan application process, and prevent any wrenches from getting thrown into your home buying plans, follow these ten rules.

RULE #1: Do not change jobs, become self-employed or quit your job.

RULE #2: Do not buy a car, truck, or van (or you may be living in it)!

RULE #3: Do not use charge cards excessively or let your accounts fall behind.

RULE #4: Do not spend money you have set aside for closing.

RULE #5: Do not omit debts or liabilities from your loan application.

RULE #6: Do not buy furniture.

RULE #7: Do not originate any inquiries into your credit.


RULE #8: Do not make large deposits without first checking with your loan officer.


RULE #9: Do not change bank accounts.


RULE #10: Do not cosign a loan for anyone.

LET ME CONNECT YOU

I know the best mortgage lenders in the area to help you save for and plan your home purchase. Reach out, and I will provide you their contact details.

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FINDING YOUR NEXT HOME

Whether you're a first-time buyer or a seasoned homeowner, shopping for a new home can feel daunting. For more than half of home buyers, the most difficult step in the home buying process was finding the right property at 59%, which was even higher for Younger Millennials at 60%.*

That's why I teach buyer clients to focus on the **WHY**, **WHERE**, and **WHAT**.

The first step to finding your ideal home is determining **WHY** you want to move. Do you need more space? Access to your preferred schools? Less maintenance? Or are you tired of throwing money away on rent when you could be building equity? Pinpointing the reasons why you want to move can help you assess your priorities for your home search.

Next, you need to determine **WHERE** you want to buy. Do you prefer a rural, urban, or suburban setting? How long of a commute are you willing to make? Which areas feed into your preferred schools? These decisions will impact your day-to-day life while you live in the home.


Finally, think about **WHAT** kind of home you want to live in. Start with the basics, like your ideal number of bedrooms, bathrooms, and square footage. Do you prefer a one-story or two-story layout? Do you want a swimming pool?


Keep in mind, you may not find a home with all of your "wants," or even all of your "needs." If you're faced with a tough choice about how or what to compromise in your home search, return to your **WHY**.


INSTANT MARKET UPDATES

Stay on the pulse of the housing inventory in with notifications whenever homes hit the market, change price, or go under contract with our Instant Market Updates. Ask me for more info! Once I know your needs, this is easy to set up.

*NAR 2023 Home Buyers and Sellers Generational Trends

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MAKING AN OFFER

Once you find a home that fits your WHY, WHERE, and WHAT, it's time to make an offer. And yes, a high offer price gets attention. But most sellers consider a variety of factors when evaluating an offer.

3 other tactics you can utilize to sweeten your proposal and outshine your competition.

1 - Put Down a Sizable Deposit

Buyers can show sellers that they're serious about their offer and have "skin in the game" by putting down a large earnest money deposit. I can help you determine an appropriate deposit to offer based on your specific circumstances, market conditions, and the particular home (it's current interest by other buyers).

2 - Ask for Few Contingencies


Buyers in a competitive market often volunteer to waive certain contingencies, which are clauses that allow one or both parties to back out of the agreement if certain conditions are not met. I can help you assess the risks and benefits involved in this offer strategy.


3 - Offer a Flexible Closing Date


People sell their homes for a wide variety of reasons, and flexible terms that work with their personal situations can sometimes make all the difference. I can reach out to the listing agent to find out the seller's preferred terms, and then collaborate with you to write a compelling offer that works for both parties.

YOUR FIDUCIARY ADVOCATE

I can help you compete in today's market with offers that are designed to win over both the seller and their listing agent, without letting you get steamrolled. Schedule a consultation to learn more about our negotiation expertise.

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NEXT STEPS

In this ultra-competitive real estate market, one of the greatest advantages you can give yourself is to work with a skilled and trustworthy real estate professional who is watching out for your best interests every step of the way.


I am a home sales experts on the Space Coast, and am confident in my ability to handle your transaction and any surprises that may pop up along the way to the closing table. But don't just take my word for it! Here's what some of our past clients have said about their experience working with me:


“Rick was great to work with. He took the time to really understand what it was we were looking for. As we were out of state he had the extra job of being our eyes when looking at houses that we couldn't see in person.”


“Rick is a fantastic realtor who supported me with both buying a new home and selling my current home. His guidance and partnership from start to finish in both processes went above and beyond my expectations.”

You can see these and even more reviews on [Google](#) and [my website](#).

So if you are considering buying a home in today's market, I invite you to reach out to me at the contact information below. I would love the opportunity to learn more about your specific situation and explain to you in more detail what I do differently to win clients the home of their dreams on our Space Coast.

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ABOUT ME

Experienced, Dedicated, and Transparent

With 20+ years managing iconic projects in the music industry, including The Beatles, I've brought that same dedication and precision to real estate. I'm not just a Realtor—I'm your committed professional partner in every step of your property journey. I'd treat your journey as if you're one of The Beatles!

You can count on me for clear communication, negotiating in your best interest, up-to-date market insights, and maximizing your property's potential.


I myself live in Cocoa Beach, and I'm ready to create success together whether it's Cocoa Beach, or anywhere on our beautiful Space Coast.


Your real estate journey = my priority!

MORE RESOURCES

Click the links below for more information to guide your home buying journey.

- [First-Time Homebuyer's Guide Part 1](#)
- [First-Time Homebuyer's Guide Part 2](#)
- [First-Time Homebuyer's Guide Part 3](#)
- [First-Time Homebuyer's Guide Part 4](#)

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Commonly Used Terms

ANNUAL HOUSEHOLD INCOME

Collective income from everyone in your household before taxes or other deductions are taken, investment income or dividends, Social Security benefits, alimony, and retirement fund withdrawals.

APR

APR refers to the annual percentage rate, which is the interest rate you'll pay expressed as a yearly rate averaged over the full term of the loan. APR includes lender fees in the rate, so it's usually higher than your mortgage interest rate.

APPRAISAL

A written justification of the price paid for a property, primarily based on an analysis of comparable sales of similar homes nearby.

APPRAISED VALUE

An opinion of a property's fair market value, based on an appraiser's knowledge, experience, and analysis of the property. Since an appraisal is based primarily on comparable sales, and the most recent sale is the one on the property in question, the appraisal usually comes out at the purchase price.

CLOSING COSTS

Generally 2 to 5 percent of the purchase price include lender fees, recording fees, transfer taxes, third-party fees such as title insurance, and prepaids and escrows such as homeowner's insurance, property taxes, and HOA fees.

CLOSING DISCLOSURE

A document that provides an itemized listing of the funds that were paid or disbursed at closing.

DEED

The legal document conveying title to a property.

DOWN PAYMENT

A cash payment of a percentage of the sales price of the home that buyers pay at closing. Different lenders and loan programs require various down payment amounts such as 3 percent, 5 percent, or 20 percent of the purchase price.

EARNEST MONEY DEPOSIT

Also known as an escrow deposit, earnest money is a dollar amount buyers put into an escrow account after a seller accepts their offer. Buyers do this to show the seller that they're entering a real estate transaction in good faith.

ENCUMBRANCE

Anything that affects or limits the fee simple title to a property, such as mortgages, leases, easements, or restrictions.

EQUITY

A homeowner's financial interest in a property. Equity is the difference between the fair market value of the property and the amount still owed on its mortgage and other liens.

ESCROW

Putting something of value, like a deed or money, in the custody of a neutral third party until certain conditions are met.

HOMEOWNERS ASSOCIATION FEE (HOA)

A fee required when you buy a home located within a community with an HOA that typically pays for maintenance and improvements of common areas and may include the use of amenities.

HOMEOWNER'S INSURANCE

Insurance that provides you with property and liability protection for your property and family from damages from a natural disaster or accident. Lenders usually require borrowers to buy homeowner's insurance.

HOME WARRANTY

A contract between a homeowner and a home warranty company that provides for discounted repair and replacement service on a home's major components, such as the furnace, air conditioning, plumbing, and electrical systems.

LENDER FEES

Part of the closing costs of a home purchase and may include an application fee, attorney fees, and recording fees. The lender's underwriting or origination fee is usually 1 percent of the loan amount.

LOAN TYPES

Mortgages have different terms ranging from 10 to 30 years and are available with fixed or adjustable interest rates. Your lender can discuss down payment, insurance, credit requirements, and other specifics of various loan types.

MONTHLY DEBT

The minimum payment on credit card debt; auto, student, and personal loan payments; and alimony or child support. Rent or mortgage for a property that you will pay after your home purchase must also be included.

MORTGAGE

A loan from a bank, credit union, or other financial institution that relies on real estate for collateral. The bank provides money to buy the property, and the borrower agrees to monthly payments until the loan is fully repaid.

MORTGAGE INSURANCE

Insurance that protects the lender and repays part of the loan if the borrower defaults and the loan can't be fully repaid by a foreclosure sale. Usually required on loans with less than a 20 percent down payment.

PROPERTY TAXES

Typically imposed by local governments on real property including residential real estate. The tax rate can change annually, and the assessed value of your property is usually recalculated annually.

PREPAIDS

Prepays are expenses paid at the closing for bills that are not technically due yet, such as property taxes, homeowner's insurance, mortgage insurance, and HOA fees.

THIRD-PARTY FEES

Any closing costs charged by someone other than your lender, typically including fees for an appraisal, a property survey, a title search, owner's and lender's title insurance, and sometimes an attorney.

REAL ESTATE CHANGES & RULES TO KNOW

Before you buy or sell a home!

AUG 17TH

Changes to home
buying/selling go into
place.

These changes will affect
the real estate market
across the United States.

The 411 on What's Happening in Real Estate

Sitzer-Burnett—the class-action lawsuit brought against the National Association of REALTORS® (NAR) and others by a group of home sellers in Missouri alleging NAR practices artificially inflated broker commissions. In March, the parties agreed to settlement terms, and the settlement agreement was given preliminary approval. While the settlement won't receive final approval until the hearing in November, NAR is introducing new practice changes, agreed to as part of the settlement, **beginning August 17th.**

The Biggest Change for Buyers

You'll need to sign a written buyer agreement with your agent before touring a home, virtually or in person.



Buyer Agents will have to disclose their fees and services on the Buyer Representation Agreement before you sign!

The Biggest Change for Sellers

Offers of compensation can no longer appear on the MLS or on any page that appears within 1-click of the MLS.



BUYER AGREEMENT NON-NEGOTIABLES

1. Your agent must inform you that their fees and services are open to negotiation.
2. The agreement must include your agent's fees and how those are determined.
3. Your agent cannot accept more than the amount stated in the agreement.
4. Compensation cannot be open-ended.

- Agreements can be amended!
- Agreement must be in writing.
- Applies to both virtual and in-person tours
- You do not need an agreement to SPEAK to an agent, but you do need one before any home tours.



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Each Office is independently owned and operated