



Your Guide to Homeownership

Nina Johnson
Realtor® | Luxe Realty Group

DRE #02146258

NinaJohnsonRealEstate.com | 916-223-5056 |
Nina@Luxegroup.com



Meet Nina Johnson

Your Strategic Partner in Real Estate

I was raised in Moraga and recently returned to the East Bay after several successful years in the Sacramento market. My experience across these distinct regions allows me to offer clients a well-rounded perspective — from the Bay Area to the Foothills — and strategic insight into a variety of market dynamics.

At Luxe Realty Group, we're not your average brokerage. As a top-rated Zillow agency, we're a results-driven team known for our client-first philosophy, industry expertise, and commitment to excellence. We leverage innovative marketing, in-depth market knowledge, and a powerful network of qualified buyers to ensure your home gets maximum exposure.

Whether you're a first-time homebuyer, relocating, or expanding your investment portfolio, I provide personalized guidance tailored to your unique goals — always with clarity, confidence, and care.

I specialize in relocation services, particularly for clients making the move from the San Francisco Bay Area to other regions of California. For those venturing out of state, I also offer access to a trusted network of experienced agents nationwide to help you find your perfect next home.

Let's navigate your next chapter together — with expertise, integrity, and unwavering advocacy.

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HOW MUCH DO YOU NEED FOR A DOWN PAYMENT?

A down payment is the out-of-pocket, upfront payment you make when you buy a new home. Typically, down payments are **3–20%** of the home's purchase price, but first-time homebuyers, on average, put down 7%. If you're eligible for a Federal Housing Administration (FHA) loan, your down payment could be as low as 3.5%.



A Key Example

There are two different ways to calculate your down payment:

multiplying your desired purchase price by the percentage you want to put down *or* dividing the amount you've saved for a down payment by the purchase price.

1. Multiplying: Say you've liked homes in the \$200,000 range and want to estimate how much you'd need for the down payment. For an FHA loan with a 3.5% down payment requirement, you'd need \$7,000 ($200,000 \times 0.035 = 7,000$). To pay 7% down, you'd need \$14,000.

2. Dividing: Now, imagine you already have \$10,000 saved for a down payment and want to know what percentage down that would be. For a \$200,000 home, you'd be able to offer 5% down ($10,000 \div 200,000 = 0.05$). If the home is \$250,000, you'd have a 4% down payment.

Remember: the more you put down, the lower your monthly mortgage payments will be.



Know Your Options

As a first-time homebuyer, you may have access to programs that make buying your first home more achievable. Several states and cities have their own down payment assistance programs. At the federal level, programs exist for low-income, military, rural, and other populations that may reduce your down payment expenses significantly.

Your financial institution can help you determine which financing options you're eligible for.






Anticipating the Costs of Buying a Home

Buying your dream home can have both immediate and long-term financial implications. As a prospective homeowner, you should understand the upfront and ongoing costs associated with homeownership so you can be prepared when they come up.

UPFRONT COSTS

Before the sale is complete, there are a few upfront expenses you'll be expected to pay. These are usually paid out of your own pocket and include:

-  **Earnest money:** This is a good-faith deposit, usually made within three days of your offer being accepted, which goes toward the down payment. This is typically around 1%–3% of the home's total purchase price.
-  **Closing costs:** Closing costs cover the fees incurred to finalize the sale and mortgage loan, including lender's fees, commission to your real estate agent, home appraisal, inspections, and mortgage underwriting fees. Closing costs are usually 2%–5% of the purchase price.
-  **Down payment:** Your down payment is how much of your own money you're putting toward the purchase. It may be 3%–20% of the purchase price.



These upfront costs may not apply to every first-time homebuyer. In some scenarios, you can secure financing that requires no down payment (e.g., VA or USDA loans) or apply for a program that covers the down payment for you. It's also possible to request that your closing costs be covered by the home's sellers during negotiations.



Beyond your mortgage payments, there are ongoing expenses that you should start planning for now.

ONGOING COSTS

The financial demands of buying and owning a home don't stop once you've signed the paperwork and have the keys to your new home. Beyond your mortgage payments, there are ongoing expenses that you should start planning for now:

-  **Maintenance:** Think HVAC filters and tuneups, gutter cleaning, and lawn and tree care. Less frequently, you may have to tackle larger projects, like roof replacement. Plan to spend roughly 1% of your new home's purchase price on maintenance per year, though this could fluctuate.
-  **Repairs:** Leaky pipes, missing roof shingles, a faulty outlet – anything that breaks is your responsibility to repair. Older or neglected homes may need more repairs. Your home inspection report should give you an idea of which items may need repairs soon so you can prepare.

\$ Utilities: This includes water, gas, electricity, and trash pickup. Research average utility costs for homes in your desired area to estimate your expenses before buying. When you find a home you love, it may be possible to see its recent average utility costs.

\$ New Appliances/Furniture: New homes don't often come fully furnished and may not have all the appliances you need. Old appliances may also need to be replaced or updated. Costs will vary depending on your needs and preferences, but a few common needs are:

- + **Washer/dryer set:** \$500–\$2,000
- + **Bedroom set:** \$2,000 and up
- + **Countertop microwave:** \$65–\$150
- + **Patio furniture:** \$200 and up
- + **Living room set:** \$1,000 and up

\$ Security Systems/Cameras: It's wise to protect your investment. The average cost to install a home security system ranges from \$200 to \$600, plus an additional monthly subscription fee for monitoring services. Purchasing equipment you can install yourself may help cut costs.

\$ Pest Control: Quarterly preventive pest control treatments range from \$100 to \$300, on average. Treatment for a bug infestation can climb into the thousands, such as if you need termite fumigation.

\$ HOA Dues: If your home is part of a homeowners association (HOA), you'll likely be required to pay HOA fees and dues. HOA fees can range from \$100–\$1,000 per month but average out to roughly \$200–\$300.

When It Pays to Own a Home

Homeownership isn't all about expenses. You may earn federal income tax credits for investments in energy-efficient home improvements like solar panels or efficient appliances. They include:

- + Energy Efficient Home Improvement Credit
- + Residential Clean Energy Credit
- + HOMES Rebate Program
- + High-Efficiency Electric Home Rebate



You can also deduct mortgage interest, mortgage points, and property taxes from your taxable income if you itemize deductions.

HOMEOWNERS ASSOCIATIONS (HOAs)

Homeowners associations (HOAs) can be a divided topic in homeownership. Some homeowners see them as effective ways to maintain property values and enjoy shared amenities, while others see them as a nuisance expense. Here's what you should know about HOAs as a first-time homebuyer.

Q: What Is a Homeowners Association?

A: A homeowners association is an organization or committee of homeowners that establishes and enforces rules and regulations for properties and residents in the HOA's jurisdiction. Rules may apply to homes' exterior appearances, such as landscaping, paint colors, décor, and more. Other common rules include pet regulations, parking limitations, and restrictions on live-in guests or renovation projects.

Beyond making and enforcing regulations, an HOA is responsible for the maintenance and improvement of common areas and amenities, such as pools, playgrounds, security, or common utilities. They may also offer services like lawn care or trash pickup.

Q: What Properties Have HOAs?

A: Condominiums almost always have HOAs, and townhouses typically have them as well. Single-family homes located in subdivisions, gated communities, or upper-scale neighborhoods may also have HOAs.

If you purchase a home that falls under an HOA's jurisdiction, you are automatically an HOA member, as membership is not optional.

Q: How Does an HOA Affect My Ongoing Costs?

A: Homeowners in an HOA pay monthly, quarterly, or annual dues to support the services that the HOA provides. If the HOA needs to cover a large, unexpected expense, homeowners may need to contribute extra funds, called special assessments, to help cover the cost. An HOA might also fine homeowners who don't comply with the established rules and regulations.

You'll need to account for membership dues and the possibility of additional expenses when budgeting for a home in an HOA. Before buying the home, request and review the HOA bylaws and fees thoroughly.



HOAs have monthly, quarterly, or annual fees that each homeowner in the HOA area pays, which adds to your ongoing housing costs. If you don't abide by the HOA's rules, the HOA may also fine you.

Q: Do I Want to Have an HOA?

A: An HOA may be a benefit or drawback, depending on your preferences.

To help you decide, here are some pros and cons to consider:

HOA Pros:

- + An HOA may help maintain or increase your home's property value.
- + An HOA may encourage community connections and friendship.
- + An HOA may come with community amenities/perks.

HOA Cons:

- ✗ You have to pay monthly, quarterly, or annual dues.
- ✗ You might have to pay special assessments for unexpected costs.
- ✗ You may be subject to property and activity restrictions.

HOAs aren't right for everyone, but some homeowners see tangible benefits from them.

PLEASE SEE THE FOLLOWING PAGE FOR A NEW LAW THAT MAY IMPACT A CONDOMINIUM COMMUNITY (HOA) AND REQUIRE ADDITIONAL FEES AND ASSESSMENTS AFTER PURCHASE.

IT'S ESSETIAL THAT YOU AND YOUR AGENT FAMILIARIZE YOURSELVES WITH TE POTANTIAL IMPACT TO THE SPECIFIC PROPERTY YOU'RE INTETESTED IN.



California Balcony Laws

Primarily SB 326 & SB 721

California Balcony Laws — primarily SB 326 and SB 721 — were enacted to improve safety for Exterior Elevated Elements (EEEs) such as balconies, decks, and stairways on multifamily residential buildings.

OVERVIEW

SB 326

Applies to Common Interest Developments like condominiums. HOAs must inspect and maintain EEEs by **January 1, 2025 and every nine years after.**

SB 721

Applies to Multifamily Residential Buildings with three or more dwelling units. Owners of multifamily properties must complete their initial inspections **by January 1, 2026, and every 6 years after that.**

What are EEEs?

Exterior Elevated Elements are all elevated decks, balconies, landings, stairway systems, walkways, guardrails, handrails, or any parts thereof that are exposed to weather and with a walking surface more than 6 feet above grade/ground. This program applies only to wood-framed and steel-framed exterior elevated elements and not to concrete elements.

*Make sure your next transaction is not affected!
Stay educated about your next closing.*

Impact on Real Estate Transactions

Disclosure Obligations

Sellers are required to disclose the status of EEE inspections to potential buyers.

Repair Obligations

- If defects are found, repairs may be required before close of escrow.
- Safety-related defects may legally require immediate action.

Lender Requirements

Some lenders require evidence of compliance or plans for compliance before approving financing.

Escrow Delays

- Outstanding inspection or repair work can delay the closing timeline.
- Buyers may negotiate terms, request credits, or delay until compliance is met.

Insurance and Liability

Noncompliance can increase risk and lead to higher insurance premiums or even coverage issues.

For more information on SB326, visit:
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB326

For more information on SB721, visit:
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB721

Information deemed reliable but not guaranteed. Chicago Title does not guarantee its accuracy.

PRE-QUALIFIED VS. PREAPPROVED: THE DIFFERENCE MATTERS

An essential part of the homebuying process is learning what financing is available to you. To do this, you'll go through pre-qualification or preapproval. Though they sound the same, one option can give you a leg up when making an offer on a home.

- + **Pre-qualification** is a process where a lender provides you with an estimate of what loan option(s) you may be eligible for based on the information you provide them. Pre-qualification isn't a guarantee that you'll be able to secure the terms shown, but it can help you understand the terms different lenders might be willing to extend to you. With pre-qualification, lenders use something called a "soft credit check," which doesn't affect your credit score. If you're able to apply for pre-qualification, it's generally a good idea. If you get denied at this stage, you'll know you can move on and avoid the hard credit check that accompanies a formal application.
- + **Preapproval** is a more rigorous, comprehensive evaluation of your financial situation and credit history that leads to definitive approval for financing. Unlike with pre-qualification, where the lender does a soft credit check, preapprovals require a hard credit check, which will impact your credit score to at least some degree. The lender will verify your income, employment, credit history, and other financial information to determine the maximum amount they're willing to lend you. Then, the lender will provide you with a letter of preapproval, which is a conditional commitment to lend a specific amount of money at a specific interest rate and that states the maximum loan amount you qualify for and for how long the offer is valid (usually 60–90 days).

In short, **preapproval means you're prepared to make an offer when you find a home that you want to buy.** It shows sellers that you're serious and have the financial backing to complete a home purchase, giving you an advantage over buyers who haven't yet been approved for financing. It also helps speed up the homebuying process, as part of it was completed in advance.

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Credit Know-How

As financial institutions complete the preapproval process, they'll perform a credit check. This will appear on your report as a *hard inquiry*, which may drop your credit score by a couple of points for a short time.

However, you can still shop around without tanking your credit score.

Your FICO score will only be impacted once within a 45-day period, even if multiple hard inquiries are made. This means you can get multiple mortgage preapprovals to find the best offer without it greatly affecting your credit standing.

THE LOAN APPLICATION CHECKLIST

Ready to secure your financing? Make sure you have all the information and documentation your lender may need so it goes off without a hitch.



Always be honest and upfront with your lender. Disclose any situations, income, liabilities, or assets that could impact your finances or mortgage, such as divorce or settlement proceedings. The process is thorough, and misrepresentations during the loan process could lead to denial or even legal action.

Personal Information

- ✓ Government-issued ID (e.g., driver's license, passport, or state ID)
- ✓ Social Security number
- ✓ Date of birth
- ✓ Education level
- ✓ Marital status
- ✓ Dependents' ages (if applicable)
- ✓ Current contact information (address and phone number)
- ✓ Previous addresses (all within past seven years)
- ✓ Current rent amount
- ✓ Landlord contact information (all within past two years)
- ✓ Immigration status and supporting documentation, if applicable

Employment & Income Documents

- ✓ At least two years' employment history, with contact and payment information (like W-2s)
- ✓ Current employment and income information (including W-2s and recent pay stubs)
- ✓ Complete federal income tax returns for the past two years
- ✓ If self-employed, you'll also need:
 - Year-to-date profit and loss statement
 - Documentation of unpaid accounts receivable
- ✓ Records of other income, if applicable, such as:
 - Alimony payments
 - Child support payments
 - Rental income

Financial Assets

- ✓ At least two months of financial statements for all of your existing checking and savings accounts
- ✓ Investment account statements, including for:
 - 401(k)s
 - IRAs
 - CDs
 - Brokerage accounts
- ✓ Records of interest and dividends received
- ✓ Value of life insurance policy
- ✓ Documentation for vehicles you own
- ✓ Documentation for any real estate you own
 - For rental properties, this includes a property appraisal and copy of the lease
- ✓ Down payment gift letters, if applicable

Financial Liabilities

- ✓ All account information (company, type, number, balance owed, and monthly payment) for each of the following:
 - Credit cards
 - Student loans
 - Personal loans
 - Auto loans
 - Medical bills
- ✓ Documentation of child support obligations
- ✓ Documentation of alimony obligations
- ✓ Documentation of job-related expenses



When in doubt, bring it out! It's better to be over-prepared than to be missing important documentation that your lender needs.



YOUR Real Estate Agent

From finding a home to negotiating the sale, so many details go into homebuying that it can be overwhelming. Having a professional on your side can make the difference between snagging your dream home and watching it slip through your fingers. That's where real estate agents come in.

WHAT DO REAL ESTATE AGENTS DO?

Real estate agents are licensed professionals who help property buyers and sellers navigate their transaction journeys, from searching for or listing a property to closing the sale and everything in between. Agents go through extensive education and testing to obtain their licenses (though exact education specifications vary by state), and they work under or are sponsored by brokers, who have higher-level certifications and training.

Real estate agents are an integral part of the homebuying process. They'll help you find a home you love and will act as a liaison between you and the selling party, serving as your advocate throughout the process. Their duties often include, but aren't limited to:

- + Showing you appropriate listings
- + Getting answers to your questions
- + Delivering your official offer
- + Conveying the seller's counteroffers
- + Offering guidance for inspections and other services
- + Handling hiccups or obstacles that occur

Your agent will do most of the heavy lifting in your homebuying process, acting as both a resource for guidance and your representative. Their primary, overarching responsibility is to help match you with a home and do everything they can to get the deal to closing for you.

Real Estate Agents vs. REALTORS®

It's important to note that real estate agents and REALTORS® are not the same thing. Once real estate agents receive their licenses and join a local real estate association, they may also choose to join the National Association of Realtors (NAR) – a trade association with more than 1.5 million members – and earn the designation of REALTOR®.

The NAR has high standards and a strict code of ethics that REALTORS® must follow. In return, the NAR gives its members access to continued training, professional designations, insightful market data, and additional services to support their work.



Your agent will do most of the heavy lifting in your homebuying process, acting as both a resource for guidance and your representative.

The Truth About Dual Agency

In rare circumstances, one agent may represent both the buyer and the seller in a transaction. This is called "dual agency." For example, let's say you don't have a real estate agent yet and see a listing that you love. If you reach out to the listing agent directly and they help guide you through the sale, this is dual agency.

Dual agency presents obvious conflicts of interest, and it's illegal in several states. States that allow it have laws that dictate when dual agency must be disclosed, if the agent must explain what dual agency means, and whether the buyer and seller must provide written or verbal agreement.

If your agent discloses dual agency, you have the right to decide if you want to proceed with the transaction with your agent or another agent – or walk away from the purchase entirely.

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WHAT ARE THE BENEFITS OF HIRING A REAL ESTATE AGENT?

Working with a real estate agent means you have an experienced industry professional on your side, likely at no cost to you. Beyond the fact that, in most cases, they won't cost you anything, working with a real estate agent offers you numerous other benefits, including:



Expertise and knowledge: Real estate agents have extensive knowledge of the local housing market and can guide you through the buying process, from searching for properties to making an offer. They may also have useful information about the area's schools, neighborhoods, attractions, and other factors that could influence your home search.



Saved time: With a real estate agent, you don't have to spend every free minute you have searching for properties, scheduling showings, or (when you find a home) having offer letters or contracts drafted. Your agent can handle all of that for you.



Negotiation skills: Agents have experience negotiating home purchases. Not only can they help you get a fair deal, but they may also suggest terms that you didn't know were available, such as including a home warranty or having the seller cover your closing costs.



Access to more properties: An agent may have access to listings that aren't yet available to the public, including properties that are about to hit the market.



Professional networks: If they've been working in the area for several years, your agent likely has relationships with other professionals in the industry, such as lenders, home inspectors, appraisers, and contractors. They can likely provide a few suggestions for each professional you need throughout your homebuying process.



Paperwork assistance: Real estate transactions involve a lot of paperwork that can be complex. Even minor mistakes can cause major headaches down the road. Your agent can help you navigate the process and ensure all documents are filled out correctly.



Guidance with financing: Your agent may be able to suggest reputable lenders in the area, help you understand financing options, and help guide you through the process of getting preapproved and then securing financing.



Market analysis: The average listing price, sale price, time spent on the market, and home size for the area you're interested in can set your expectations and help you recognize a fair deal. Experienced agents have access to market analytics and data to help you make an informed decision.



A second perspective: Agents' years of showing and selling homes means they may notice details or considerations you don't. They can also help add a fresh perspective or opinion on a home.



Finding the Perfect Home

Once you have financing preapproval and an experienced agent to support you, you're almost ready to start your home search. Before you begin, though, you should think hard about what you want from your home and what things to consider during your search.

THE HOMEBUYER'S CHECKLIST

Price Range: _____

Cities/Counties: _____

Desired Neighborhoods/School Districts/Other Area Features: _____

Min. # of Bedrooms: _____ Min. # of Bathrooms: _____ Square Footage: _____

Preferred Style (Split-Level, Victorian, Ranch, etc.): _____

Home Feature	Do Not Want	May Consider	Neutral	Would Like	Must Have
Gated Community					
Cul-de-Sac Street					
Two-Car Garage					
Covered Carport					
Fenced-In Yard					
Landscaping/Garden					
Shed/Outdoor Buildings					
Pool					
Deck/Patio					
Porch (Front or Wrap-Around)					
Security System					
Open Floor Plan					

Let this checklist guide your search, but be willing to compromise on some of your requests. Sometimes your dream home is hiding behind a little TLC.

Home Feature	Do Not Want	May Consider	Neutral	Would Like	Must Have
Finished Basement					
Home Office					
Dining Room					
Utility/Laundry Room					
Updated Bathrooms					
En-Suite Master Bath					
Eat-In Kitchen					
Granite/Marble Countertops					
Walk-In Pantry					
Kitchen Appliances Included					
Washer/Dryer Included					
Spa or Whirlpool Tub					
Walk-In Closets					
Hardwood Floors					
Carpeted Floors					
Central Heating & Air Conditioning					
Fireplace(s)					
Natural Gas					
Energy-Efficient Features					
Homeowners Association					

Notes/Considerations: _____

WHAT TO WATCH FOR DURING A SHOWING

So, you found a promising listing, your agent scheduled a viewing, and now you're walking through the door of what could be your first home. What should you consider as you look around?

- + **Remember that the seller's items won't stay there.** Listing agents go to great lengths to prepare a home for viewing, which can both help and hinder your search. While the seller's furnishings can help you see how your belongings might fit in a space, don't let them distract you from the structure itself. Pay attention to walls, floors, windows, layout, and other features.
- + **Be alert for signs of disrepair, damage, or neglect.** As a first-time homebuyer, you're unlikely to want to take on a huge renovation or repair project. Musty odors, water stains seeping through paint, uneven floors, warped wall paneling or doorframes, and even rugs in odd places can all be signs of deeper issues.
- + **Don't get hung up on cosmetics.** Looks aren't everything when it comes to homebuying. Aspects like landscaping, paint colors, and hardware (like cabinet handles) can all be changed. Don't let an unpleasant color scheme or odd sense of style sway you from an otherwise wonderful home.
- + **Focus on functionality.** Small details that are easily overlooked can have a big impact on your daily life in a home.
 - Are there enough outlets in the kitchen, living room, and bedrooms?
 - Does each room have an overhead light fixture with a light switch near the door?
 - Is the water pressure strong, and does it stay that way if multiple faucets are on?
 - Do all doors close and lock properly?
 - Are the spaces big enough to accommodate your household, furnishings, and favorite activities?
- + **Explore the outdoors.** Don't limit your walk-through to the interior alone. Look at the home's exterior – like the gutter system, siding, and roof (as viewed from the ground) – but also walk around the property. Check out any outdoor features like sheds, ponds, and fencing.
- + **Be respectful and be mindful.** Remember that this is still someone's home. Even if the homeowner or listing agent isn't there, there could be indoor security cameras or curious neighbors listening in. Avoid being overly critical, disparaging, or flat-out insulting, because the homeowner could refuse to sell to you. You should also avoid being overly enthusiastic – that won't help you with negotiations if the seller knows how much you want the home.



Small details that are easily overlooked can have a big impact on your daily life in a home.



The Home Purchase Process: What to Expect

From finding a suitable home to sealing the deal at closing, here's a brief timeline of the entire homebuying process and what to expect at each stage.

1

STEP 1: FIND THE HOME YOU WANT

Average Time to Expect: 10 Weeks

This is often the longest part of the homebuying process. Aspects like market conditions and the features you want in a home will influence how long it takes to find a suitable home. You may get lucky and find an ideal home within a week, or you may search for several months before finding one that meets your needs. High competition, short supply, or wanting hard-to-come-by features can all prolong your search.

Your real estate agent should help you find promising listings and set your expectations based on your requests, budget, and current market conditions.

You may get lucky and find an ideal home within a week, or you may search for several months before finding one that meets your needs.

2

STEP 2: MAKE AN OFFER

Average Time to Expect: 1 Day

It finally happened – you found a home you love, and you want to make it yours. After viewing the home, let your real estate agent know that you'd like to make an offer. They'll help draw up the appropriate documentation, which will serve as a blueprint for the final terms of the sale. Your offer should include details like:

- ✓ How much you're offering for the home
- ✓ When your offer will expire
- ✓ How much earnest money you'll put down
- ✓ Who will pay for surveys, inspections, title insurance, and other sale and closing costs
- ✓ When you'd like to close
- ✓ Contingencies and provisions

A real estate agent can often draw up and submit your formal offer the same day you decide to make it, which can make all the difference in a competitive market. Without a real estate agent, you may spend days creating the contract and ensuring it abides by all state and local requirements before you can submit it. The longer it takes for your offer to be submitted, the higher the risk that the seller will accept another offer before you're able to throw your hat in the ring.

A real estate agent can often draw up and submit your formal offer the same day you decide to make it, which can make all the difference in a competitive market.



Concentrate on Contingencies!

Contingencies are the conditions that must be met for you to go through with the sale, and they're an essential part of your offer. If you don't include contingencies, you may be contractually bound to complete the sale no matter what, and if you back out, you could lose your earnest money deposit or face additional fees.

The most common – and important – contingencies to include in your offer relate to financing and the home's condition. A financing contingency simply states that the sale is dependent on your ability to secure the required financing from your lender, so you won't be in breach of contract if your financing doesn't go as planned (like if the appraised value is too low).

Contingencies regarding the home's condition typically specify that your offer may be adjusted or withdrawn if the home inspection or survey reveals a major concern. It's also often stipulated that you'll perform a final walk-through shortly before closing to ensure the home is in order (no new damage, agreed-upon repairs have been made, etc.).

The most common – and important – contingencies to include in your offer relate to financing and the home's condition.



STEP 3: SELLER ACCEPTS OR COUNTERS

Average Time to Expect: 2–3 Days

The next step is less fun: waiting for a response from the seller. Sellers need time to consider offer terms, and if they have multiple offers to review, it could take some time. Typically, they'll respond within 48 hours, but they have until the deadline stipulated in your offer.

When the seller does respond, they may:

- + **Reject your offer.** You may choose to submit another, better offer if the seller hasn't gone under contract with another buyer, but most homebuyers choose to resume their house search after having an offer rejected.
- + **Accept it as-is.** Congratulations! This means you're officially under contract, and you'll need to make your earnest money deposit. If your contingencies are met and all goes well, you'll become the proud owner of your new home!
- + **Make a counteroffer.** This means they've revised some of the terms of the contract, like the sale price, contingencies, timeline, or fixtures or appliances included in the sale. This will begin a negotiation process where you can continue revising the terms of the offer until both parties are satisfied – or one chooses to walk away.

Sellers need time to consider offer terms, and if they have multiple offers to review, it could take some time.



Time Is of the Essence

In some cases, a "time is of the essence" (TIOTE) clause may be included in the offer contract. This clause establishes a hard and fast closing date that is non-negotiable and contractually binding. If either party is unable to close on that date for any reason, they're considered in breach of contract and may be required to pay damages or fees as outlined in the contract. The sale could also fall through.

This clause isn't necessary in offer contracts, and many people avoid it. Without the clause, both parties still agree to a closing date, but reasonable allowances are made if unexpected or uncontrollable circumstances require the date to be moved, like a delay in mortgage processing or a personal emergency.

If you see a TIOTE clause in your contract, consult with your real estate agent or a real estate lawyer for guidance. If you decide to proceed, make sure the closing date is realistic and includes enough time to account for unexpected delays.

If you see a TIOTE clause in your contract, consult with your real estate agent or a real estate lawyer for guidance.



STEP 4: APPRAISAL & INSPECTION

Average Time to Expect: 1 Week

With your offer accepted, your lender will want to schedule an appraisal of the home to make sure the purchase price reflects the home's real and current value. An appraiser will assess the value of the home using methods like comparative market analysis (CMA). If the home appraises for less than the agreed-upon price, you may not be able to secure financing for the full purchase price. In that case, the seller can agree to reduce the purchase price, or you may have to cover the difference – or walk away from the sale entirely. This is an uncommon occurrence, but it's one you should be aware of.

The cost of a home appraisal averages about \$300 to \$600. When the lender orders the home appraisal, the buyer pays for it.

You'll also want to schedule a home inspection to make sure there are no significant issues with the structure. This should be done by a licensed home inspector and will typically cost between \$200 and \$400. The inspector will check all major features of the house, including:

- ✓ **Exterior:** Roofing, siding, crawl space/foundation, gutters, porch, etc.
- ✓ **Interior:** Flooring, walls, attic space, cosmetic damages, appliances, water and light fixtures, etc.
- ✓ **Systems:** Electrical, plumbing, heating, cooling, ventilation, drainage, etc.

The cost of a home appraisal averages about \$300 to \$500. When the lender orders the home appraisal, the buyer pays for it.

Once you've chosen an inspector, your real estate agent can coordinate with them and the seller to schedule the inspection. It may take a week or more for the inspector to have time to evaluate the home, and it generally takes a few more days to receive the report of their findings.

If the inspector finds concerns, you may request the seller make repairs, renegotiate the home's sale price or coverage of closing costs, or choose to walk away from the purchase altogether. Inspections should be completed as soon as possible to ensure there's enough time to renegotiate or for the seller to complete requested repairs before closing.

If the inspector finds concerns, you may request the seller make repairs, renegotiate the home's sale price or coverage of closing costs, or choose to walk away from the purchase altogether.



STEP 5: TITLE & ESCROW

Average Time to Expect: 2 Weeks

When it comes to homebuying, "title" is used to describe who has the legal rights to a piece of property. To verify that the seller has the undisputed legal right to sell the property – and that the property isn't tangled up in financial or legal concerns – your agent or lender will order a title inspection.

Property liens, unpaid taxes, or names of people on the deed who aren't part of the transaction all present title concerns. When discovered by title inspection, these issues will need to be resolved by the seller before you can close on the home. Your agent or lender will also require the purchase of title insurance, which helps cover legal costs if additional title issues or ownership disputes arise.

Another function the title company may serve is the handling of the escrow account. The escrow account will hold all funds that will be exchanged by the parties during the transaction, including your earnest money deposit, the seller's deed and other paperwork. The escrow account should always be managed by a third party. If the title company isn't responsible for it, then a lawyer or settlement company may manage the escrow account instead.

When it comes to homebuying, "title" is used to describe who has the legal rights to a piece of property.



Pre-Closing Homebuying Escrow vs. Taxes and Insurance Escrow

The escrow account that holds the home transaction's funds up until closing is not the same as the escrow account you'll have after closing.

Most loan types require your lender to establish an escrow account for you after closing. Part of your monthly mortgage payments will be deposited into this account, and the funds will be used to cover your property tax and home insurance payments. This helps ensure you remain compliant with insurance requirements and that the home's title isn't affected by unpaid taxes.

Your escrow account costs may be reviewed periodically and adjusted as tax or insurance rates fluctuate.



STEP 6: UNDERWRITING

Average Time to Expect: 2–3 Weeks

As soon as your offer is accepted, your lender will begin the underwriting process. This involves a meticulous review of all financial and personal information you've provided so your lender can finalize your mortgage approval and begin drafting the official loan documents.

Your lender is likely to request additional documentation or information to help move things along. They may also send you revised loan estimates if details uncovered during this process affect your financing terms or amounts. If you have a complex financial situation – like numerous recent employers or non-employment sources of income (like alimony) – underwriting may take longer than usual.

When the process is complete and everything's in order, your lender will send you a "clear to close" notice, which means your financing is finalized and approved – and you're ready to close!

Underwriting involves a meticulous review of all financial and personal information you've provided so your lender can finalize your mortgage approval and begin drafting the official loan documents.



STEP 7: CLOSING

Average Time to Expect: 2–3 Hours

A few days before closing, you should perform your final walk-through to make sure the home is as expected – complete with finished repairs and any items you requested the seller leave behind. You'll also receive a closing disclosure from your lender that outlines the final terms of your mortgage, including your monthly payment and the amount you'll need at closing. Go through this document thoroughly and ask your lender any questions you have.

With everything in order, it's finally time for the big day! Closing should only take a few hours. You'll go to your closing appointment and sign a mound of paperwork. Your real estate agent, loan officer, and a representative from the title company should be present to walk you through each document and answer your questions. Once you've signed all the paperwork, your lender will disburse the funds to the home seller, and your loan will officially begin. You'll receive the keys to your new home (as well as copies of everything you signed) and walk out an official homeowner!

At closing, your real estate agent, loan officer, and a representative from the title company should be present to walk you through each document and answer your questions.



A Closer Look From Offer to Closing

It can take anywhere from 10 to 50 days to reach closing after making an offer - depending on your unique situation. Let's take a deeper dive into what happens during that time.

Here's what to expect when you make an offer on a home.

- ✓ Make an offer
- ✓ Seller accepts or counters
- ✓ Pay earnest money
- ✓ Get inspection, appraisal, and title reports
- ✓ Provide final documentation to lender
- ✓ Receive clear to close notice
- ✓ Conduct final walk-through
- ✓ Receive closing disclosure
- ✓ Attend closing
- ✓ Enjoy homeownership!

LENDER REQUIREMENTS

For the sale to go through, additional requirements from your lender may need to be met, beyond a down payment, good credit standing, sufficient appraisal value, and no title issues. These include:

- ✓ **Home condition:** Many loan types and lenders require a home to be in decent condition before issuing financing. At minimum, the home should meet local building regulations, but major issues revealed in inspections might also make your lender pause.
- ✓ **Money trail:** Lenders also need to know that you aren't taking on too much debt. To this end, they'll request documentation showing where the funds for your down payment and earnest money are coming from. If you've had a recent large deposit in one of your financial accounts, they'll want documentation to show the source of that, too, even if you aren't planning to use it for the home purchase.
- ✓ **Home insurance:** During underwriting, you'll be required to find home insurance that meets your lender's specifications. At minimum, your lender will require that you carry insurance to cover the amount of the mortgage. Some lenders may require additional specific coverages, like flood insurance. Get multiple quotes on appropriate policies, and when you find one you like, send the quote information to your lender.

At minimum, your lender will require that you carry insurance to cover the amount of the mortgage.

UNDERSTANDING THE REAL ESTATE AGENT'S ROLE

Your real estate agent will be your advocate, coach, and liaison, offering guidance every step of the way. From offer to closing, their role typically includes:

- ✓ Helping you create a fair, strategic offer with smart contingencies
- ✓ Coordinating inspections, surveys, and walk-throughs
- ✓ Checking that every single document is correct
- ✓ Making sure all conditions are met before closing
- ✓ Setting your expectations for closing
- ✓ Representing you at closing

At closing, your real estate agent will still represent you. If any last-minute disputes, concerns, or negotiations arise, your agent can help mediate the situation, talk through your concerns, and advocate for you.

Just as your agent plays their role, the listing agent will perform similar services for the seller. They'll provide guidance on offer pricing and terms, check the accuracy and fairness of all documents, coordinate with your real estate agent to schedule inspections and walk-throughs, and, in general, advocate for their seller throughout the process.

Each agent has a responsibility to act in their client's best interest until closing is final, helping ensure a fair, balanced home sale.



At closing, your real estate agent will still represent you. If any last-minute disputes, concerns, or negotiations arise, your agent can help mediate the situation, talk through your concerns, and advocate for you.

THE MOVING CHECKLIST FOR NEW HOMEOWNERS

For a seamless transition, use these checklists to help you plan and organize the process.

New Home Address: _____

Move-In Date: _____

Previous Residence To-Dos:

- ☐ Establish mail forwarding/change of address through the post office
- ☐ Arrange for utilities to be taken out of your name
- ☐ Give your landlord your new address (to send your deposit or wayward mail to)
- ☐ Donate, sell, or trash items you don't want to take with you
- ☐ Use up items that will be a hassle to move, such as perishables or aerosols
- ☐ Pack a bag of essentials/valuables to keep with you (one outfit, toiletries, snacks, water, laptop, phone charger, etc.)
- ☐ Find a safe place to store important documents so they aren't lost or damaged in the move
- ☐ Conduct a deep clean
- ☐ Take time-stamped photos to document its condition
- ☐ Double-check all cabinets, closets, cupboards, shelves, and appliances for forgotten items
- ☐ Lock it up and return the keys to your landlord as instructed



Working with a moving checklist can help you stay organized and ensure vital tasks get accomplished, and nothing gets misplaced or left behind.

Notes/Reminders: _____

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins or other markings on the paper.

New Home To-Dos:

- ☐ Reserve moving services at least one week in advance
- ☐ Put utilities in your name (internet, gas, electric, water, trash, cable, phone, etc.)
- ☐ Check that all systems are working (lights, toilets, faucets, appliances, locks, heating, air conditioning, etc.)
- ☐ Update your address with your employer, insurers, loan servicers, and other entities
- ☐ Update your address on your financial accounts, driver's license, vehicle registration, and voter registration
- ☐ Replace the locks on all outside doors
- ☐ Schedule installation of security system (if desired)
- ☐ Check and replace batteries in smoke and carbon monoxide detectors
- ☐ Unpack important documents and store them in a safe place
- ☐ Find manuals for appliances and put them somewhere safe and accessible
- ☐ Conduct a deep clean

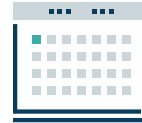
Notes/Reminders: _____

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MAKING MOVING MORE EFFICIENT

Moving can be chaos, but there are a few ways to make the most of the situation.

- ✓ If you have a few days between closing and moving, use that time to deep clean, paint, replace wallpaper, and complete other minor projects. They'll be much easier to do when the house is empty and not cluttered with boxes and furniture.
- ✓ Start planning your move as soon as your offer is accepted and a closing date is established. Begin collecting moving supplies, decluttering your home, and pricing moving services. When you book your moving services, look for a company that allows you to adjust your reserved date without penalty, just in case closing is delayed.
- ✓ Label your boxes with as much detail as possible for easier unpacking. For instance, write "Sam's Winter Coats" instead of just "Clothes."
- ✓ Start familiarizing yourself with the area up to two weeks before moving in. The day before you move, drive the route you'll take, and check for construction, road closures, or other concerns. If you come across obstacles, use your knowledge of the area to plot an alternate route.
- ✓ Plan to order takeout or delivery on your first night in the home. You'll likely be exhausted and may still have your necessary kitchen supplies boxed up.
- ✓ Arrange child or pet care for moving day, if possible. It will ease your stress, allow you to focus, and save your kids or pets the turmoil of non-stop moving activities.



Start planning your move as soon as your offer is accepted and a closing date is established.