

A Guide To Buying
your home



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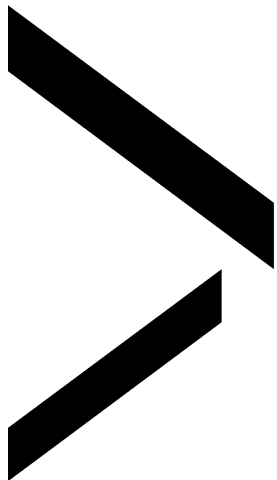


Connection

“The energy that exists between people when they feel seen, heard, and valued: when they can give and receive without judgment; and when they derive sustenance and strength from the relationship.”

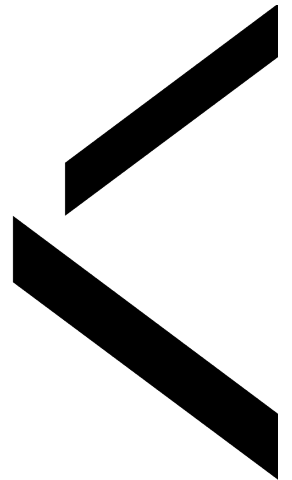
Brene Brown

**At its core, business
is about people
connecting with people**



Why Work With A Realtor?

While it may be tempting to turn to the internet for advice, nothing can replace the expertise of a true professional. Buying a home is likely one of the biggest financial decisions of your life, so it's crucial to have the right team in place.



A great Realtor will:

Explain the ins and outs of contracts.

When it comes to buying a home, you'll sign various disclosures and contracts as part of the process. Before you give any of these legally binding documents your autograph, your agent will help explain the terms and conditions.

Keep you up-to-date on today's market conditions.

The real estate industry is complex and dynamic. Pricing, mortgage interest rates, and demand can change often. You need someone by your side who will keep you informed on the latest trends and what they mean for you.

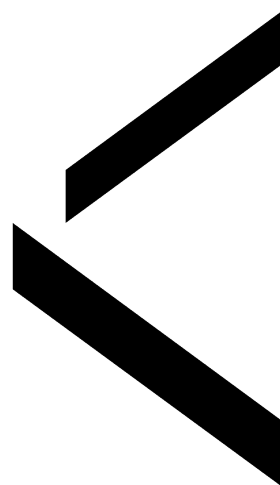
Serve as your advisor in the negotiation process.

Even after the contract is signed by the seller, there's a lot of room left for negotiating terms after the home inspection and the appraisal. Your agent will handle all the back-and-forth communication that comes with it.

Give advice and share their experience.

Let's be honest, buying a home is emotional. When your offer isn't accepted, your must-haves aren't realistic, or they suspect something is wrong, you want someone who will be honest with you. Your agent's expert advice and know-how will bring you peace of mind.

OUR
WHY



CLIENT-CENTRICITY IS A CULTURE OF PUTTING THE CLIENT AT THE CENTER OF EVERYTHING WE DO.

Thriving on collaboration and building strong connections.

In an oversaturated industry, we often question how we can distinguish ourselves from the noise around us. It is easy to overthink your ideas and complicate your pathway to success. However, simplicity is the best starting point for gaining focus and clarity.

At Luxe Realty Group, we push for collaboration amongst all of our teammates and other industry professionals to create connections that serve as the building blocks of any successful journey. We believe that a straightforward mindset creates clarity and focus, helps promote action, and avoids analysis paralysis.

Our culture is rooted in community. The success of our company starts with ensuring that our teammates are supported to help achieve their own personal and professional goals. If our teammates are positioned to succeed, then we know that translates to the success of our clients.

At the end of the day, our business and business as a whole is about people connecting with people.

Buyer's Journey

Step 1: Meet With A Real Estate Professional

Discuss the type of home you're looking for, including style, price, and location.

As the home buyer, your Realtor's commission is paid by the seller of the home in almost all circumstances. This means your representation costs you nothing.



Step 2: Get Pre-Approved

You will need pay stubs, W2's, and bank statements. Knowing what you can afford is critical to a successful home shopping experience.



Step 3: Search For Homes

The fun part! Your Realtor will schedule showings and help you find the perfect home for you.

Not all real estate websites are the same. Your Realtor has tools and systems to ensure you see every available home that meets your criteria.



Step 4: Make An Offer

Your Realtor will prepare the offer based on the price and terms you choose.



Step 5: Negotiations & Contract

It may take a few tries to get it just right, but hang in there. You're on your way.

In most cases the contract provides you with a timeline to obtain financing, as well as time to inspect the physical condition of the home. Your Realtor will inform you of all of your rights and responsibilities related to the contract.



Step 6: In Escrow

You and the seller have agreed to the price and terms. The home is effectively held for you until closing.



Step 7: Final Details

Perform due diligence, order the appraisal, conduct an inspection, and review terms with the lender.

You will be finalizing your loan, reviewing documents and discussing the findings from the inspection. Your Realtor will be managing this entire process for you.



Step 8: Closing

This is the transfer of funds and ownership.

A title company or an attorney typically acts as an independent third party to facilitate the closing.



BUYER FAQ'S

QUESTION 1:

What is the first step for buying a home?

The most important thing to do before you actually go shopping for a home is **getting pre-approved**.

It's incredibly important to understand how much you can actually afford in order to create a better game plan.

Working with a trusted lender will help create an easier process for you in the long run, as many sellers may require buyers to be pre-approved before seeing the home.

The best place to find a lender is getting recommendations from a trusted Realtor.



QUESTION 2:

Should I sell my home before buying a new one?

Homeowners may have different reasons for selling their home. Maybe they are ready for something new or want to downsize. Other homeowners may just want to expand their portfolio or acquire an investment property.

If you want to put up a high down payment and secure good interest rates on your next mortgage, selling is encouraged.

If you can afford the down payment for your new home and want to wait until the market changes, you don't have to sell your home.

Talk to a Realtor about your options (or a financial advisor about turning your current home into an investment property).



Key Terms To Know When Buying a Home

Earnest Money Deposit

Money put down before closing to show the seller you are serious about purchasing. It's also known as a good faith deposit.

It's typically around 1% – 3% of the sale price and is held in an escrow account until the deal is complete. The exact amount depends on what's customary in your market. If all goes smoothly, the earnest money is applied to the buyer's down payment or closing costs.

Closing Costs

The fees required to complete the real estate transaction. Paid at closing.

Typically 2-3% of the total purchase price. Ask your lender for a complete list of closing cost items, including points, taxes, title insurance, and more.

Credit Score

A number ranging from 300-850 that's based on an analysis of your credit history.

This helps lenders determine the likelihood you'll repay future debts. It also determines loan eligibility & interest rate.

Down Payment

Down payments are typically 3.5-20% of purchase price of the home. Some 0% down programs are also available.

Ask your lender for more information.

Mortgage Rate

The interest rate you pay to borrow money when buying a home.

The lower the rate, the better.

Pre-Approval Letter

A letter from a lender that shows what they're willing to lend for your home loan.

This is a critical step in today's competitive market.

Inspection, Loan, and Appraisal Contingencies

Inspection, Loan, and Appraisal Contingencies are the three main contingencies used in real estate. Loan and Appraisal contingencies are dependent on lender terms.

Inspection Contingency:

A provision in contract requiring an inspection to be completed.

While it can be tempting to waive in a competitive market, the home inspection is essential. It gives you information on the home's condition and potential repairs.

Loan Contingency:

A clause that provides the buyer with the opportunity to cancel the entire purchase contract without needing to pay a penalty.

The clause is typically added to provide the seller and buyer with certain protections in the event that mortgage financing is unable to be secured.

Appraisal Contingency:

A provision included in purchase contracts that allows home buyers to back out if a home is appraised for less than the purchase price included in the contract.

Affordability

A measure of whether someone earns enough to qualify for a loan on a typical home based on the most recent price, income, and mortgage rate data.

As prices and mortgage rates continue to rise, that will impact how much home you can afford.

Equity

The value of your home above the total amount of the liens against your home.

With today's price appreciation, many homeowners are realizing they have more equity than they thought and they're using it to move.