

BUYING A NEW

HOME



ONE

Sotheby's
INTERNATIONAL REALTY

WELCOME

*I am excited to guide you through
this journey!*

Thank you for choosing to put your trust in me for the process of buying your home. My team is committed to ensuring that ALL of your real estate needs are not just met, but exceeded! I've created this book for your convenience and we hope that it will be a valuable resource. While the entire process is outlined for you here, please know that I will be staying in constant contact with you throughout the process. Your experience will be unique and I will adjust our service according to your wants and needs. My focus is on your complete satisfaction.



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MEET THE TEAM



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ABOUT US

With over 25 years of combined business and real estate experience, our team has the expertise and knowledge to make your real estate dreams a reality.

Since our inception in 2008, ONE Sotheby's International Realty has built a notable presence along Florida's East Coast with 30 offices spanning from Miami to Amelia Island. Our dedicated real estate professionals are experts in their local markets, backed by a global reach that transcends countries and cities like no other brokerage. With a reputation of passion, trust and unsurpassed service, ONE Sotheby's International Realty is dedicated to giving extraordinary lives a home to thrive.

Our knowledge of the market and our research techniques have proven that we price to optimize sales by getting 5 to 10% more for your house.

MY COMMITMENT TO YOU

01

GETTING YOU IN THE DOOR

We will narrow down the homes that fit your unique wants and needs get you in the door! Looking at dozens of homes every week, I can help you identify potential problems within a home.

02

HANDLING CHALLENGING CONVERSATIONS

When repairs or changes in price need to made, I will be your guide and handle requesting any repairs or changes in price to the sellers.

03

STAYING ON TOP OF THE PAPERWORK

Buying a home involves many types of documentation. I have the experience and knowledge to navigate real estate contracts. Ensuring that nothing is overlooked and that you truly understand what a paper means before ever signing.

04

NEIGHBORHOOD EXPERT

Working daily in neighborhoods with inspectors, contractors, and negotiating with sellers, I have the market knowledge you need to get the best results from your purchase. Understanding the local real estate market can go a long way when it comes time to make an offer on a house.

05

PROBLEM SOLVER

I will work hard to protect all of your interests and take on any issues that may arise throughout the entire process. Hopefully making buying a home a fun and stress-free process.



STEPS TO BUYING A NEW HOME

STAGE 1 – PREP WORK

- DECIDE WHETHER YOU'RE READY TO BUY A HOME
- CALCULATE HOW MUCH YOU CAN AFFORD ON A HOUSE
- SAVE FOR A DOWN PAYMENT AND CLOSING COSTS
- DECIDE WHAT TYPE OF MORTGAGE IS RIGHT FOR YOU
- GET PREAPPROVED FOR A MORTGAGE

STAGE 2 – THE SEARCH

- CREATE A WISH LIST
- DOCUMENTING YOUR VISIT
- START TOURING HOMES

STAGE 3 – UNDER CONTRACT & CLOSING

- MAKE AN OFFER
- FINALIZE MORTGAGE
- GET HOMEOWNERS INSURANCE
- ORDER THE HOME INSPECTION
- HAVE THE HOME APPRAISED
- NEGOTIATE ANY REPAIRS OR CREDITS
- CLOSE ON YOUR NEW HOME!

STAGE ONE

STAGE ONE : PREP WORK

DECIDE WHETHER YOU'RE READY TO BUY A HOME

Sure, there's being financially ready to buy a house, but are you emotionally ready? Even if it's just going to be your starter home, you're making a big financial commitment and putting down some roots.

You'll want to think about your other goals for the next few years. Are you buying with a partner, and if yes, are you on the same page when it comes to money? Is there any chance you'd need to relocate for work? Are you thinking of starting a family?

These big-picture questions can add to the pros (or cons) of whether this is the right time to buy a house.

WONDERING IF YOU
SHOULD BUY A HOUSE?
LET'S LOOK AT SOME OF
THE FACTORS THAT
LENDERS AND
HOMEOWNERS ALIKE
SHOULD CONSIDER.

INCOME AND EMPLOYMENT STATUS

Your lender won't just want to see how much money you make. They'll also want to see a work history (usually about 2 years) to make sure your income source is stable and reliable.

Preparing your income is all about pulling the right documentation together to show steady employment. If you're on the payroll, you'll likely just need to provide recent pay stubs and W-2s. On the other hand, you'll need to submit your tax returns and other documents the lender requests if you're self-employed.

Debt-to-income ratio (DTI) is another financial instrument mortgage lenders use to evaluate your loan application. Your DTI helps your lender see how much of your monthly income goes to debt so they can evaluate the amount of mortgage debt you can take on.

DTI is calculated by dividing your monthly debt by your gross monthly income. For example, if your monthly debts (credit card minimum payments, loan payments, etc.) total \$2,000 per month and your gross monthly income is \$6,000, your DTI is $\$2,000/\$6,000$, or 33%. Your lender will use the debts shown on your credit report to calculate your DTI.

Depending on the type of loan you're applying for, your lender may also calculate your housing expense ratio, also sometimes referred to as front-end DTI. This is a ratio that looks at your total monthly house payment (principal, interest, taxes and insurance) compared to your monthly income. For example, if you have a \$1,200 house payment and the same \$6,000 monthly income, your housing expense ratio is $\$1,200/\$6,000$, or 20%.

It's smart to review your DTI before you apply for a loan. In most cases, you'll need a back-end DTI of 43% or less to qualify for the most mortgage options, although this number varies based on your lender, loan type and other factors.

CALCULATE HOW MUCH YOU CAN AFFORD

Once you decide you're ready to buy a home, it's time to set a budget. A good place to begin is by calculating your DTI ratio. Look at your current debts and income and consider how much money you can reasonably afford to spend each month on a mortgage.

Homeownership comes with several costs you don't need to worry about while renting. You'll need to pay property taxes and maintain some form of homeowners insurance. Factor these expenses into your household budget when you decide how much you can afford on a house.

Mortgage lenders consider DTI an important qualifying factor. The amount of debt you have is considered a very reliable predictor of the risk associated with the approval of any mortgage loan. Therefore, it's important to know your numbers.

LET'S LOOK AT HOW DTI IS CALCULATED.

Step 1: Add Up All Of Your Monthly Debts

Your debt payments could include:

- Monthly rent or house payments
- Monthly child support payments or alimony
- Student loan payments
- Car payments
- Monthly credit card minimum payments
- Any other debts you might have

You don't need to add in:

- Grocery bills
- Utility bills
- Taxes
- Any other bills that may vary month to month

Step 2: Divide Your Monthly Debts By Your Monthly Gross Income

Next, do a simple calculation. For example, let's say your debts add up to \$2,000 per month. If your monthly gross income (your before-tax income) is \$6,000 per month, then your DTI ratio is 0.33, or 33%.



SAVE FOR A DOWN PAYMENT AND CLOSING COSTS

There are many ways to save for your home purchase, including through investments and savings accounts. If you have relatives who are willing to contribute money, you may be able to use gift money toward your down payment (in which case, be sure to provide your lender with a gift letter).

But how much do you need to save before buying a home? Let's look at some of the major expenses related to the purchase, and how much you might want to save for them.

DOWN PAYMENT

Your down payment is a large, one-time payment toward the purchase of a home. Many lenders require a down payment because it mitigates the loss they might suffer in the event that a borrower defaults on their mortgage.

Many home buyers believe that they need a 20% down payment to buy a home. This isn't true. Plus, a down payment of that size isn't realistic for many first-time home buyers.

Fortunately, there are many options for buyers who can't afford a 20% down payment. For example, you can get a conventional loan for as little as 3% down. Federal Housing Administration (FHA) loans have a minimum down payment of 3.5%. Department of Veterans Affairs (VA) loans and United States Department of Agriculture (USDA) loans even allow eligible and qualified borrowers to put 0% down.

There are advantages, however, to making a larger down payment. For one, it typically means you'll have more mortgage options. It also usually means you'll have a smaller monthly payment and a lower interest rate. Plus, if you put at least 20% down on a conventional loan, you won't need to pay for private mortgage insurance (PMI).

CLOSING COSTS

You'll also need to save money to cover closing costs – the fees you pay to get the loan. There are many variables that go into determining how much you'll pay for closing costs, but it's usually smart to prepare for 3 – 6% of the home value. This means that if you're buying a home worth \$200,000, you might pay \$6,000 – \$12,000 in closing costs.

The specific closing costs will depend on your loan type, your lender, and where you live. Almost all homeowners will pay for things like appraisal fees and title insurance. If you take out a government-backed loan, you'll typically need to pay an insurance premium or funding fee upfront.

IMPORTANT!

Before you close on your loan, your lender will give you a document called a Closing Disclosure, which lists each of the closing costs you need to cover and how much you'll need to pay at closing. Look over your Closing Disclosure carefully before you close to know what to expect and to catch any errors.

DECIDE WHAT TYPE OF MORTGAGE IS RIGHT FOR YOU

Before you can apply for a mortgage, you'll need to decide what the best type of loan is for you and which one you'll qualify for.

CONVENTIONAL LOANS

Conventional loans are mortgages made by a private lender and not backed by the government. The most common type of conventional loans are loans that are backed by Fannie Mae or Freddie Mac, sometimes called conforming loans. The majority of mortgages in the U.S. are conventional loans. Conventional loans are always a popular option for home buyers, and you can get one with as little as 3% down.

FHA LOANS

Backed by the Federal Housing Administration, FHA loans are less of a risk for lenders because the government insures them if you stop making payments. As a result, FHA loans have credit score requirements that aren't as strict. You can get an FHA loan with a down payment as small as 3.5%.

VA LOANS

Backed by the Federal Housing Administration, FHA loans are less of a risk for lenders because the government insures them if you stop making payments. As a result, FHA loans have credit score requirements that aren't as strict. You can get an FHA loan with a down payment as small as 3.5%.



GET PREAPPROVED FOR A MORTGAGE

When you're ready to start house hunting, it's time to get preapproved for a mortgage. When you apply, your lender will give you a preapproval letter that states how much you're approved for based on your credit, assets, and income. You can show your preapproval letter to your real estate agent so they can help you find homes within your budget.

To get preapproved, you need to apply with your lender. The preapproval process typically involves answering some questions about your income, your assets, and the home you want to buy.

Pre-approvals are a dress rehearsal for your mortgage and are necessary to make a serious offer on a home. They typically expire after 90 days and can be refreshed if you don't find the home you're looking for in that time. Know that pre-approvals don't guarantee your mortgage approval or interest rate. After you're pre-approved, avoid opening new credit lines or making large debt payments that can impact your FICO score.

Working with a lender to get preapproved for a mortgage is an important step in accurately determining your budget. A mortgage preapproval will give you real numbers since the lender will have detailed info about your finances. That includes a hard inquiry, which will show up on your credit report. The good news: If you apply with multiple lenders around the same time, it'll only count as one hard pull.



STAGE TWO

STAGE TWO : THE SEARCH

CREATE A WISH LIST

What price range would you consider?

No less than \$_____ but no more than \$_____

Are schools a factor and, if so, what do you need to take into consideration (e.g., want specific school system, want kids to be able to walk to school, etc.)?

Do you want an older home or a newer home (less than 5 years old)? ___yes ___no

How much renovation would you be willing to do?
___A lot ___A little ___None!

What kind of houses would you be willing to see?

___One story ___2 story
___split level ___bi-level
___townhouse ___condo
___New construction ___Ranch

What style house appeals to you most?

___contemporary ___traditional
____tudor ____colonial
____modern ____no preference

Do you have any physical needs that must be met, such as wheelchair access?

___yes ___no

THE INTERIOR

How many bedrooms must you have? ____ would you like to have? ____

How many bathrooms do you want? ____

How big would you like your house to be (square feet)?

No less than ____ But no more than ____

What features do you want to have in your house?

	NEED	WANT
Carpet	_____	_____
Ceramic tile	_____	_____
Hardwood floors	_____	_____
Eat-in kitchen	_____	_____
Separate dining room	_____	_____
Formal living room	_____	_____
Family room	_____	_____
Basement	_____	_____
Separate laundry room	_____	_____
Fireplace	_____	_____
Master on the main	_____	_____

THE LOT

	NEED	WANT
Large yard (1 acre or more)	_____	_____
Small yard (less than 1 acre)	_____	_____
Fenced yard	_____	_____
1 Car Garage	_____	_____
2 Car Garage	_____	_____
3 Car Garage	_____	_____
4+ Car Garage	_____	_____
Extra parking	_____	_____
Patio/deck	_____	_____
Pool	_____	_____
Outdoor spa	_____	_____
Outdoor Kitchen	_____	_____
Other buildings	_____	_____
Special view Of what?	_____	_____

START TOURING HOMES



THE MOST COMMONLY MISSED STEP...

Documenting your visit

When it's time to take your home tour, check the features against the checklist you made. Do you need to re-evaluate any of your must-haves?

Get a feel for the home and consider anything you may have left off of your list. Remember, paint can be replaced and staged furniture will change, but there are aspects that can't change so easily:
e market longer than average is this:

WIs there enough space or too much space?

Where could you use more space?

How would you describe the layout?

Do you like the fixtures and finishes?

Are you happy with the windows (enough natural light, well-placed, too sunny)?

Does the home have curb appeal?

Does the home have adequate parking?



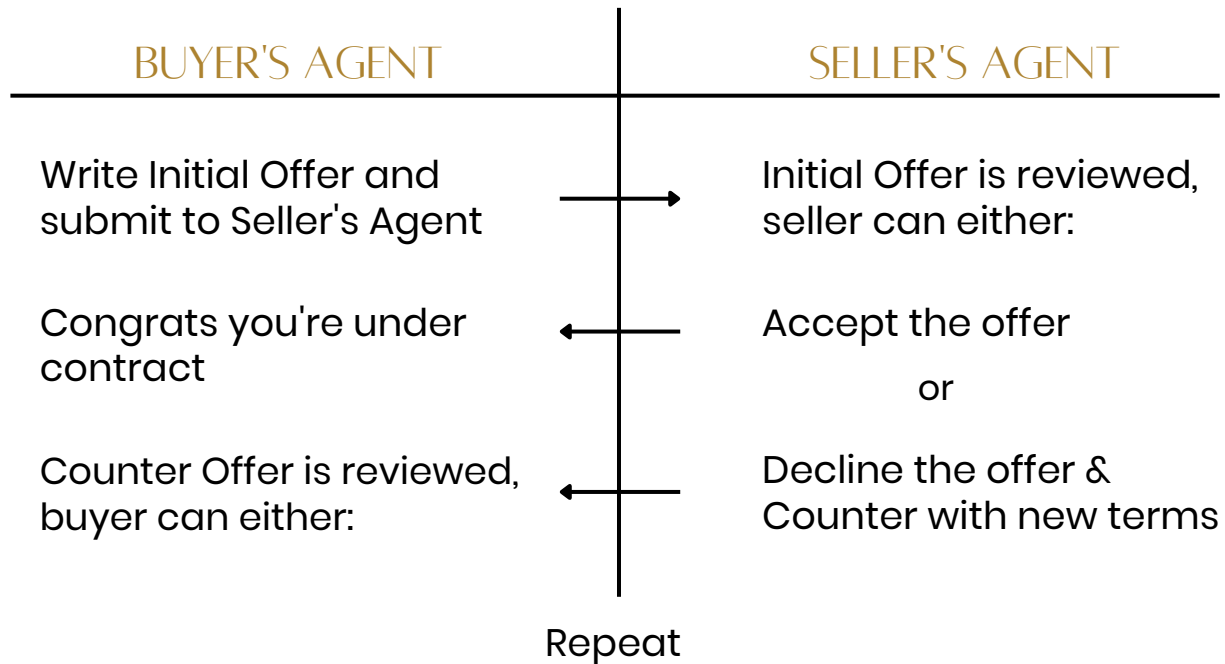
STAGE THREE

STAGE THREE : UNDER CONTRACT &
CLOSING

YOU'VE
FOUND
"THE ONE"

NOW IT IS TIME TO MAKE AN OFFER

THE OFFER PROCESS



You can negotiate back and forth as many times as needed until you reach an agreement or someone chooses to walk away.

Accept the offer

Accept the offer

Congrats you're under contract

OFFER ACCEPTED! NOW WHAT?

Transaction Deadlines

Meeting contingency deadlines is crucial to ensuring the smooth progression of the real estate transaction and protecting the interests of all parties. Timeframes for these deadlines can vary greatly from contract to contract, making your real estate team's expertise essential to keeping the transaction on schedule. Below are some of the deadlines and the typical timeline you can expect during the purchase process, beginning at the time your offer is accepted and continuing until you take possession of your home.

3-7 Days after acceptance- Earnest Money Deposit/Seller's Disclosure Deadline

Earnest money deposit is due 3 days after the contract is fully executed. The seller must provide required documents and disclosures, including, but not limited to Seller's Property Disclosure, Lead Based Paint Disclosure (if needed), HOA and CC&Rs, any rental agreements in place after closing, evidence of water rights, any known environmental problems and building or zoning violations.

7-14 Days after acceptance- Buyer Due Diligence Period

During this time, you will review and approve the Seller's Disclosures plus any other tests, inspections and verifications of the property deemed necessary or appropriate.

14-21 Days after acceptance- Finance and Appraisal Deadline

If you are obtaining a loan and have made your purchase contingent on financing, you will work with your lender to get final loan approval. If the purchase is contingent on appraisal, it must be completed during this time. If the home appraises below the purchase price your real estate advisor will guide you through options.

OFFER ACCEPTED! NOW WHAT?

Transaction Deadlines

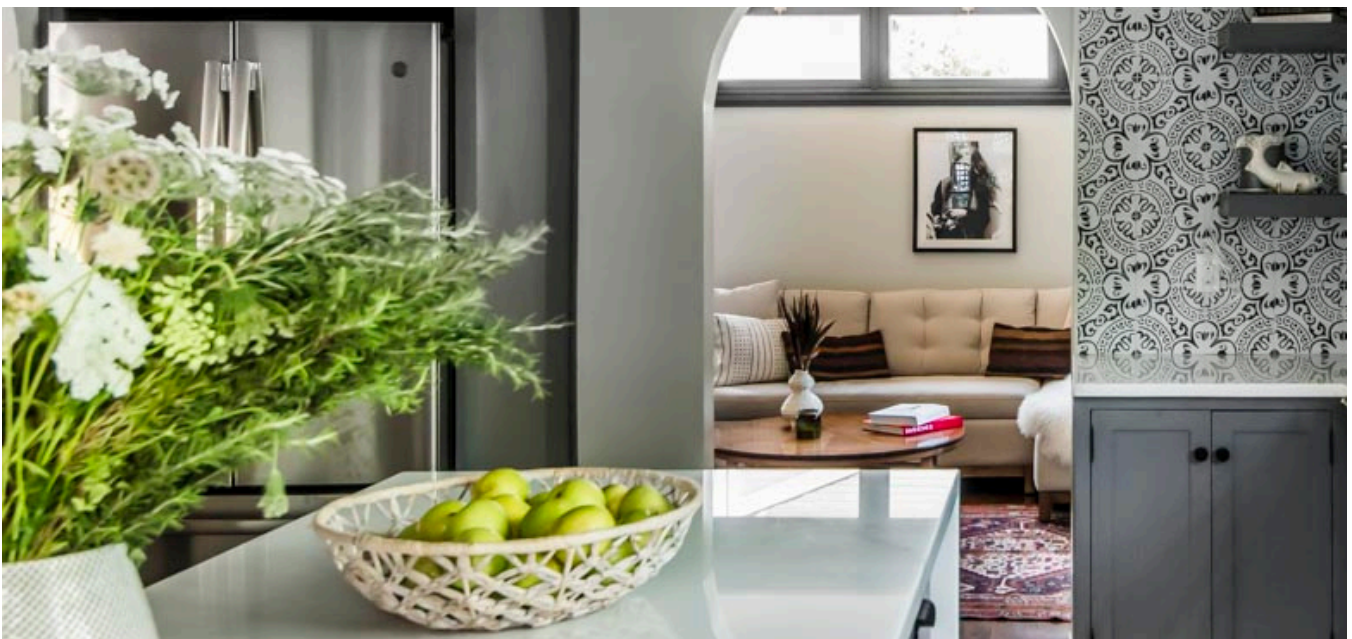
21-30 Days after acceptance- Final Walkthrough, Settlement & Closing, Possession
You and your real estate advisor will conduct a final walkthrough of the home 1-3 days prior to closing to ensure there are no major changes or new damage to the home since going under contract, any agreed upon repairs are complete and all included items are still on site.

Settlement & Closing

Settlement occurs once both the buyer and seller have signed and delivered all required documents and all funds required to be paid by the buyer or seller have been delivered. Once settlement is complete, title will disburse funds as required by the contract and lender instructions. Title will then record the closing documents with the county recorder.

Possession

Most likely, you'll be able to take possession of your new home upon closing. However, depending on the negotiations between buyer and seller, it's possible for possession to occur a specific number of days or hours after closing.



SCHEDULING YOUR MOVE

AFTER SIGNING

- ☐ Declutter! Sort through every drawer, closet, cupboard & shelf, removing items you no longer need or like.
- ☐ Donate or sell items that are in good condition.
- ☐ Get copies of medical records and store them with your other important documents
- ☐ Create an inventory of anything valuable that you plan to move
- ☐ Get estimates from moving companies

4 WEEKS TO MOVE

- ☐ Give 30 days' notice if you are currently renting
- ☐ Schedule movers/moving truck
- ☐ Buy/find packing materials
- ☐ Start packing

2 WEEKS TO MOVE

- ☐ Contact utility companies (water, electric, cable)
- ☐ Change address: mailing, subscriptions, etc.
- ☐ Minimize grocery shopping
- ☐ Keep on packing

1 WEEK TO MOVE

- ☐ Obtain a certified check for closing
- ☐ Complete final walkthrough
- ☐ Finish packing
- ☐ Clean
- ☐ Pack essentials for a few nights in new home
- ☐ Confirm delivery date with the moving company. Write directions to the new home, along with your cell phone number

TESTIMONIES



EXTREMELY KNOWLEDGEABLE,
EXTREMELY PROFESSIONAL, ON
TOP OF EVERYTHING 100%,
COULD NOT HAVE ASKED FOR A
BETTER AGENT. GOES ABOVE AND
BEYOND, LOOKS OUT FOR HER
CLIENT IN EVERY WAY, IN EVERY
DETAIL. EXTREMELY PATIENT,
KIND, WONDERFUL TO WORK
WITH.



DANNETTE NAPIER



ALLISON WAS ALWAYS
AVAILABLE FOR QUESTIONS AND
CONCERNS, ARRANGED
SHOWING ON SHORT NOTICE.
FOLLOWED UP REGULARLY
WITHOUT BEING PUSHY DURING
INITIAL STAGE OF LOOKING FOR
A HOME. I WOULD HIGHLY
RECOMMEND HER!



MARIA ARENDS



THERE ISN'T ENOUGH ROOM
TO SAY HOW MUCH ALLISON
MEANT TO ME THROUGH MY
FIRST TIME HOME BUYING
EXPERIENCE. SHE FELT LIKE A
FAMILY MEMBER THAT
GENUINELY CARED ABOUT ME.
SHE WAS PATIENT AND KIND
THROUGH THE WHOLE
PROCESS.



JACQUELINE AHLCRONA



ALLISON HAS BOTH
HELPED ME BUY AND SELL
A HOME. SHE MADE THE
PROCESS AS PAINLESS AS
POSSIBLE, ALWAYS
AVAILABLE, WENT ABOVE
AND BEYOND. I WOULD
HIGHLY RECOMMEND HER!



LES DUNNE

THANK YOU!

WE LOOK FORWARD TO WORKING WITH YOU,
PLEASE REACH OUT IF YOU HAVE ANY QUESTIONS.

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REAL ESTATE TERMINOLOGY

Annual Percentage Rate (APR) — The percent of interest that will be charged on a home loan.

Appraisal — A report highlighting the estimated value of the property completed by a qualified 3rd party. This is typically done for the benefit of the buyer to ensure the property is worth what they are paying.

Association Fee/HOA Fee — In addition to a mortgage, certain housing communities such as townhomes have a monthly fee associated with maintaining the common areas and amenities.

Closing — This is the final meeting where the buyer and seller sign the necessary paper work, complete the transaction, and release/take possession of the property. Usually the representing agents and attorneys attend.

Closing Costs — The buyer and seller have expenses associated with the transaction other than that of the actual cost of the home. For example, the buyer has a variety of fees due for obtaining a new loan and the seller must pay commission to both agents.

Commission — A percent of the sale price of the home that is paid to agents. The seller pays commission to both the buyer and listing agent.

Comparables — Homes in the area of interest that have recently sold that have similar features.

Contingencies — Conditions which must be met in order to close. Contingencies are typically tied to a date, referred to as a deadline. If the contingency is not satisfied the contract may be canceled.

REAL ESTATE TERMINOLOGY

Counteroffer — The response from the seller in regard to an offer.

Debt to Income Ratio — A lender will look at a borrowers debt versus income to determine the amount of loan they are eligible for and if they can repay their debt plus the home loan.

Down payment — A percent of the cost of the property that is paid up front as a part of the mortgage.

Earnest Money — The deposit made from the buyer to the seller when submitting an offer. This deposit is typically held in trust by a third party. Upon closing the money will generally be applied to the down payment or closing cost.

Escrow — This term has multiple meanings; earnest money is typical held by a third party until closing in “escrow”. It can also be referred to as the time period from when the contract is written and accepted by the seller to when the home sale actually closes.

Equity — The difference in the market value of a home versus what is owed on the home.

FHA — A mortgage that is financed through a private lender and insured by the Federal Housing Administration, often requiring a lower down payment and income to qualify.

Home Inspection — The process in which a professional inspects the seller’s home for issues that are not openly apparent, then creates a report for the buyer to review.

REAL ESTATE TERMINOLOGY

Pre-Approval — The process in which a buyer must provide a mortgage professional the appropriate information on income, debts, and assets that will be used to make the initial credit only loan decision.

Pre-Qualification — Once approved for a loan, this is the process in which the maximum sale price, loan amount, and monthly payments are calculated for the borrower. This is not a loan approval however, it is useful to know prior to searching for a home.

Principal — The underlying amount of the loan which is actually borrowed.

Property Taxes — These are the taxes that are enforced by the city, town, county, and state government entities. These taxes are included in the total monthly mortgage payment and are held in escrow by the lender.

Title — A legal document proving current and proper ownership of the property. Also referred to as a Title Deed, this document highlights the history of property ownership and transfers.

VA Loan — Loans that are given to Americans who have served in the armed forces. They are administered by the Department of Veteran Affairs.