



HOMEBUYER'S GUIDE

A resource to help guide you through the homebuying experience from start to finish.

The Road Home

You've heard it before: buying a home may be the largest purchase you will ever make. Does that make you nervous? Consider this: it can also be one of the best investments you will ever make.

From the pride you feel by being a homeowner to the potential tax deductions associated with homeownership, the benefits are plenty. If you're ready to travel the road toward homeownership, take your first step with the Homes by Hanneken Homebuyer's Guide. This guide is a resource to help familiarize you with the homebuying process and present you with relevant information, including a list of terms, things to consider when choosing a home and a checklist to help you make decisions that are right for you.



Why Work With Seth?

Buying a home is one of life's biggest milestones, and having the right agent by your side makes all the difference. With Homes by Hanneken, you get a dedicated real estate professional who combines deep local market knowledge with a genuine commitment to your goals.

What does this mean for you? It means when you work with Seth Hanneken, you are getting personalized attention, expert guidance, and the tools and support you need to find and purchase the right home.

10 STEPS TO PURCHASING A HOME

- 1** Choose a real estate agent that's right for you.
- 2** Know your budget.
- 3** Explore mortgage options, get pre-approved.
- 4** Browse homes online and research neighborhoods.
- 5** Identify homes you like and schedule home tours.
- 6** Make an offer.
- 7** Get a home inspection.
- 8** Close the deal.
- 9** Update utilities and transfer services.
- 10** Move into your new home!

Let Seth Be Your Guide

Whether you're moving across town or across the country, the real estate market can feel overwhelming. But you can trust that Seth knows how to help you navigate it with ease. With access to current market information, Seth can help you make informed decisions about the areas and properties that interest you. As you move through the process, Seth will walk you through confusing paperwork and, of course, assist you in house hunting.

Reach out to Seth Hanneken to get started on each step of the homebuying process.

TIPS FOR CHOOSING A REAL ESTATE AGENT

Do your due diligence.

Research real estate agents online, read reviews and solicit recommendations from family and friends.

Choose someone you trust.

A home is a very personal, expensive investment. It's critical that your real estate agent makes you feel comfortable, listens to you and respects your views.

Look for experience.

An experienced, full-time real estate professional will likely have already experienced market ups and downs and will know how to navigate current conditions.

Communication matters.

You're going to have questions during this process — it's natural. That's why it's important you choose an agent who you feel has your best interests in mind and will help you navigate the process with effective and timely communication.

QUESTIONS TO ASK YOUR AGENT

- 1 How much experience do you have, and can you provide references?
- 2 What services and resources do you offer?
- 3 How will the homebuying process work and what's expected of me?
- 4 How much time can you devote to my needs, and how often will you communicate with me?
- 5 What types of homes are your specialty, and are you familiar with the neighborhoods that interest me?
- 6 How many homes have you helped customers buy in the last year?
- 7 What happens after we make an offer? What about after closing?

Get Pre-Approved

Getting pre-approved for a home loan before you start touring houses can put you ahead of the pack. Should you fall in love with a house, being pre-approved strengthens your offer to purchase. Applying for a mortgage requires a written application and supporting documentation. Here are a few things you should be ready for when meeting with a mortgage lender:

- **They will check your credit score.**

Lenders will examine your credit history to help decide if you're a good candidate for a loan. Credit scores are ranked on a scale of 300-800; the higher, the better.

- **They will check your employment history.**

Lenders ask for a list of your past employers, how long you've been with your current employer and what your annual salary is. They want to make sure you can make regular mortgage payments.

- **They will check your assets and debts.**

Be prepared to show your past tax records, recent bank statements and current debt amounts, including credit card debt, car loan or student loan. Lenders want to know your debt-to-income ratio to know if you can make each loan payment with the income you earn.

- **One size doesn't fit all.**

Mortgage loan and lender options vary. Different loan types can accommodate different financial situations. The same goes for additional resources like the Federal Housing Administration (FHA) or Freddie Mac. Seth can help support you throughout the process.

Start Your Home Search

As a homebuyer, you can expect to see an array of different home styles and designs. You've got the choice of single-family, condo, townhome, lakefront, acreage or luxury; you can also choose single-story, multiple-story or split-level. In addition, you can choose a pre-existing home or new construction. In other words, you've got options. But what's most important is that you choose a home that complements your lifestyle and your income. To narrow down your choices:

- Know your budget and stick to it.
- Determine a desired location.
- Consider how many bedrooms, bathrooms and square feet you need.
- Decide which amenities are must-haves versus like-to-haves.
- Consider your needs for outdoor space, like a yard or balcony.

Once you've identified your must-haves, browse listings online and ask Seth to send you listings that meet your criteria via email, text message or social media. Seth will coordinate showings for properties you'd like to see in person.

FOUR THINGS TO CONSIDER WHEN VIEWING HOUSES ONLINE

There are lots of things a potential buyer can do to get a feel for a property by simply utilizing the tools that are available online. Seth is a great resource to lean on, as he often has local insights on the property that may not be included in the MLS listing description.

Viewing Tips

1. Analyze the Photos

Make sure you take a look at all the photos and spend some time noting where windows are and what the natural light is like in the space. Another good thing to consider when looking through the photos is how your own furniture will look in the space.

2. Take Note of Potential Fixes/Renovations

If you're looking at a property online that may need some upgrades, take note of those. See which elements of the home work for you and which areas you would consider renovating in the future. And remember, paint color is an easy, relatively inexpensive change that makes a huge difference in a home!

3. Consider the Outdoor Space

Whether it is a small balcony or a large backyard, outdoor space is definitely something to try to get a feel for when viewing a home virtually. Take account of what furniture you may need to invest in to fit into the space.

4. 3D & Virtual Tours

Many agents now provide 3D tours or virtual walk-throughs of their listings. 3D tours allow you to view a property from the comfort of your own home, while also giving you the freedom to virtually navigate your way through the property.

Home Styles

Story-and-a-Half

Also known as a Cape Cod, this style has a deep pitched roof and clean, simple design. Dormers can be added to a pitched roof to add windows or usable space on the upper level.

Single-Level

Also referred to as a bungalow, a single-level house is known for a long, low design with all or most living space on ground level. Some have a basement level which may be finished into additional living space.

Condominium

An owned unit in a large property complex that consists of many individual units. There's often a fee that covers shared monthly expenses for the upkeep of the building and facilities.

Split Level

Also called a split entry, this home style typically has two short sets of stairs running up and down from the point of entry. It may or may not have living space at entry level.

Two-Story Home

A two-story home has two full levels of living space. A traditional two story will have a ground level with an often equally sized floor directly above. Often you will find living space on the ground level, with the main suite and additional bedrooms on the second floor.

Townhouse

An owned unit in a row of houses all attached to one another. There's often an association fee that covers shared monthly expenses for the upkeep of the exterior and any shared facilities.

Home Feature Checklist

Bedrooms

- 2+ 3+ 4+

Bathrooms

- 1+ 2+ 3+ 4+

Dedicated Office Space

- Yes No

Central Air Conditioning

- Yes No

Garage

- 1-car 2-car 3+ car Attached
 Detached None

Kitchen Features

- Gas Stove/Cooktop Gas Oven Center Island
 Dishwasher Walk-in Pantry Eat-In Kitchen
 Updated Countertops Fully Renovated

Primary Bedroom Features

- Walk-in Closet Primary Bathroom

Bathroom Features

- Double Vanity and Sinks Bathtub
 Double Shower

Additional Indoor Features

- Gas Fireplace Wood Fireplace Mudroom
 Main Level Laundry Alarm System
 Smart-Home Tech Basement
 First-Floor Primary Energy Efficient
 Open Concept Separated Living Spaces
 Dedicated Dining Room Bonus Room/Loft Area

Outdoor Features

- Yard Space Wooded Lot Balcony Pool
 Fence Shed Balcony or Deck
 Outdoor Entertaining Area

Twin Home

Also called a semi-detached, this home has two single-family dwellings that are separated by one common wall and have mirror image layouts.

Duplex

A duplex is a home consisting of two separate dwellings that are either side by side or stacked on top of each other. They typically have identical layouts or a mirror image of each other.

Be Prepared

When you're ready to make an offer, Seth will prepare the required paperwork and negotiate the purchase price and terms on your behalf, but there are a few things you'll need to do as well:

1 Purchase insurance.

You are required to purchase homeowners insurance if you have a mortgage. Make sure you purchase enough to fully cover your home and your belongings in case of a total loss.

2 Get a home inspection.

Inspections generally cost hundreds of dollars but will bring to light any major issues or concerns with the home. The purchase agreement can be contingent on the outcome of the inspection, so if you don't like what you find you can withdraw the agreement and keep looking.

3 Determine the status of utilities.

In a traditional home sale, with sellers as occupants, you'll want to check on the status of the utilities required by the home. Outstanding invoices for items such as water, gas and electric should be paid in full by the owners before closing. You will also want to have the services transferred to your name for billing.

RELIABLE RESOURCES

Seth is a great resource. Don't hesitate to ask for a referral if you're looking for a:

- Mortgage Lender
- Inspector/Appraiser
- Moving Company
- Insurance Provider
- Contractor
- Landscaper

TAX BREAK

Preparing your taxes as a first-time homeowner can be, well, taxing. You will have a number of new tax considerations, including new deductibles such as mortgage insurance and property tax to claim. If you're not sure what you'll be eligible to claim, consider visiting a tax consultant or visit [IRS.gov](https://www.irs.gov).

Homebuyer's Glossary

By familiarizing yourself with these homebuying basics, you'll be better equipped to make informed decisions and a wise investment.

1. Amortization

The length of time allotted to paying off a loan — in homebuying terms, the mortgage. Most maximum amortization periods in the U.S. are 30 years, but options vary. Consult your mortgage lender to determine what is right for you.

2. Balanced market

In a balanced market, there is an equal balance of buyers and sellers in the market, which means reasonable offers are often accepted by sellers, and homes sell within a reasonable amount of time and prices remain stable.

3. Bridge financing

A short-term loan designed to "bridge" the gap for homebuyers who have purchased their new home before selling their existing home.

4. Buyer's market

In a buyer's market, there are more homes on the market than there are buyers, giving the limited number of buyers more choice and greater negotiating power.

5. Closing

This is the last step of the real estate transaction, once all the offer conditions outlined in the Agreement of Purchase and Sale have been met and ownership of the property is transferred to the buyer.

6. Closing costs

The costs associated with closing the purchase deal. These costs can include legal and administrative fees related to the home purchase. Closing costs are additional to the purchase price of the home.

7. Comparative market analysis

A Comparative market analysis (CMA) is a report on comparable homes in the area that is used to derive an accurate value for the home in question.

8. Condominium ownership

A form of ownership whereby you own your unit and have an interest in common elements such as the lobby, elevators, halls, parking garage and building exterior.

9. Contingencies

This term refers to conditions that have to be met in order for the purchase of a home to be finalized.

10. Deposit

An up-front payment made by the buyer to the seller at the time the offer is accepted. The deposit shows the seller that the buyer is serious about the purchase.

Homebuyer's Glossary (Cont'd.)

11. Down payment

The down payment is the amount of money paid up front for a home, in order to secure a mortgage. In the U.S., down payments typically range from 3.5% to 20% of the home's total purchase price.

12. Due Diligence

Think of it as the "check it out" period. This is your window to inspect the home, ask questions, review disclosures and back out if something's not right.

13. Earnest Money

It's your "I'm serious" deposit. You put down a chunk of money when you make an offer to show you're committed. It typically goes toward your closing costs.

14. Equity

The difference between a home's market value and the amount owed on the mortgage. This is the portion of the home that has been paid for and is officially "owned."

15. First-time homebuyer assistance

Various programs exist across the U.S. to help first-time homebuyers. Consult your mortgage lender for options you might want to consider.

16. Fixed-rate mortgage

A fixed-rate mortgage guarantees your interest rate for a predetermined amount of time.

17. Home appraisal

A qualified professional provides a market value assessment of a home based on several factors such as property size, location, age of the home, etc.

18. Home inspection

The home inspection is performed to identify any existing or potential underlying problems in a home.

19. Land survey

A land survey will identify property lines. Simply put, it helps define what is yours and what isn't.

20. Mortgage loan insurance

If your down payment is less than 20% of the purchase price of the home, mortgage loan insurance may be required. It protects the lender in case of payment default.

21. Mortgage pre-approval

A mortgage pre-approval helps buyers understand how much they can borrow before going through the mortgage application process.

Homebuyer's Glossary (Cont'd.)

22. Offer

An offer is a legal agreement to purchase a home. An offer can be conditional on a number of factors, like financing or the home inspection.

23. Seller's market

In a seller's market, there are more buyers than there are homes for sale. With fewer homes on the market and more buyers, homes sell quickly. Prices are likely to increase, and there are more likely to be multiple offers on a home.

24. Title insurance

Title insurance is a policy designed to protect both yourself and your mortgage lender from financial loss or damages caused by potential title defects such as code violations or legal complications.



Seth Hanneken

Licensed Real Estate Salesperson

homesbyhanneken@gmail.com