

COMPASS

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the Julie Provenzano Group
DFW BUYER'S GUIDE

the SEARCH

1 STEP 1: FIND AN AGENT

When searching for a home, communication is key. A licensed agent with a history of expertise and on-the-ground knowledge of the area will be a huge asset for you. Once you find an agent that fits your needs, you will need to sign a Buyer's Representation Agreement.

2 STEP 2: GET PRE-QUALIFIED FOR FINANCING

Unless you are paying cash for the home, you need to get pre-approved for a mortgage loan before beginning your search. We usually advise prospective buyers to speak with 1-2 mortgage brokers, who will determine roughly how much the bank will be willing to lend you based on your income and credit history. **Local lenders are strongly recommended.**

3 STEP 3: DEFINE YOUR SEARCH

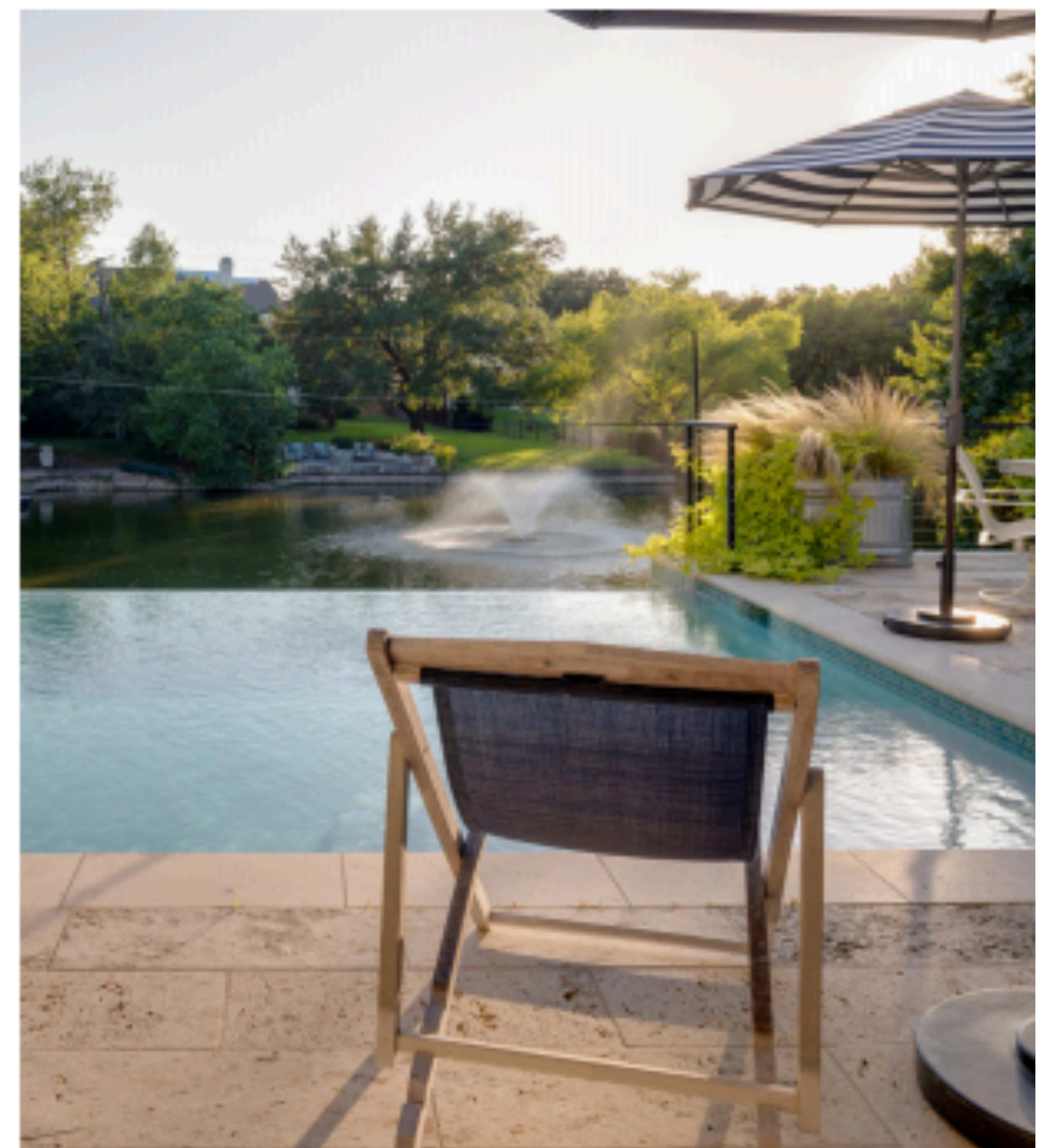
Your cash resources and borrowing capacity will determine your price range. The next step is to figure out what you want in a home at the price you can afford. In what area are you looking to live? What style and size home do you prefer? How long do you think you will live there? In our experience, the better defined the search is on the front end, the greater the chance that you find the home you are looking for.

4 STEP 4: SET UP A COLLECTION

Compass has a great collaboration tool called Collections, which allows you and your agent to set up a search based on your price range and needs and then to seamlessly communicate on listings that your preferences generate. There is no need to click through multiple endless email chains. All the properties that you might be interested in, and the communication around them, are right in your collection.

5 STEP 5: POUND THE PAVEMENT

Once you have narrowed down your potential list from Collections, it's time to physically go look at properties. as every house is unique, be it design, floorplan or just the general 'feel' of it. It's best to use the Compass Toursheet feature which allows your agent to schedule visits and then accompany you to both access the properties and offer opinions and advice.



AMENDMENTS

A change (either to alter, add to, or correct) a part of the purchase agreement without changing the principle idea or essence of the contract.

APPRAISAL

Independent third party assessment and opinion of the property's market value, typically required by the buyer's mortgage lender.

BUYERS REPRESENTATION AGREEMENT

An agreement whereby the Buyer grants the Real Estate Broker the exclusive right to use his or her best efforts to assist in searching for, negotiating and acquiring property in the market area.

COMPARABLE SALES

"Comps" are sales in roughly the same area as the subject property with similar characteristics, such as lot size, square footage, floorplans, etc.

DEED RESTRICTIONS

Limitations in the deed to a parcel of land that define certain uses that may or not be made of the property (ie: setbacks).

EARNEST MONEY DEPOSIT

A good faith deposit paid by the buyer at contract execution and held in escrow by the title company. This amount is typically 1-2% of the purchase price and is credited back to the buyer at closing. If buyer defaults, this money is forfeited.

HOME OWNERS ASSOCIATION (HOA)

A private organization that makes and enforces rules and determines fees for residents within a specified real estate development. HOA fees are typically used for the maintenance and upkeep of common use areas, such as pools, playgrounds, etc.

INSPECTION

An independent assessment of the condition of the property. The inspector is hired by the buyer to give an overall opinion on the working condition of the home. This includes, but is not limited to, HVAC, plumbing, electric, foundation, roof, etc.

OPTION FEE

This amount is due at execution to hold the property for inspections. The fee typically ranges from \$200 to \$1000 and is credited back to the buyer at closing.

PITI

A monthly mortgage payment that combines loan Principle, loan Interest, property Taxes and homeowners Insurance.

PRE-APPROVED

Advanced buyer approval from a bank or other lending institution for a home mortgage.

PRE-QUALIFIED

A mortgage broker's estimate of the amount of loan a potential buyer will likely be approved for, based on his or her overall financial picture.

REPAIR NEGOTIATIONS

During the option period, the buyer identifies material defects to the property and has an opportunity to negotiate repairs and/or credits.

SURVEY

Precise map outlining the property boundaries including the existing structures, hardscapes and lot size/ dimensions.

TITLE COMPANY

Coordinates the information requirements and actions of all parties involved in a real estate transaction. Ensures there are no issues relating to the transfer of the title of the property from the seller to the buyer and prepares and executes the closing documents and transfer of funds.

TITLE POLICY

Insurance protects the buyer against any undisclosed claim on the title to the property purchased which would threaten ownership.

SPEAKING
the
LANGUAGE

the CLOSING TIMELINE

Once you have found the home you want to buy, a typical purchase timeline in Texas has the following key periods:



NEGOTIATION & CONTRACT EXECUTION

Depending on the home, the seller, and the market conditions, the negotiation process can take anywhere from hours to days. It's always better to have the ability to act quickly if you find the house you absolutely love, and this is where the Pre-Approval comes in handy. Your Agent will help to both guide you through and represent your interests as you define the terms of a sale. Once both you and the seller complete this initial round of negotiations and agree on a contract, the closing clock starts ticking on the date you sign it.

OPTION PERIOD

(usually 7-10 days from Execution Date)

This time period gives you, as the buyer, the chance to have the house inspected by qualified experts to determine what areas, if any, need to be remedied by the seller before you lock in the purchase terms originally agreed to. If you find areas of significant deficiency (typically regarding foundation, roof, electrical and/or plumbing/HVAC), then there is a second round of repair negotiations that can take place. If the parties cannot agree on repairs, you have the option to terminate the contract (hence the name).

BUYER FINANCING APPROVAL & APPRAISAL

(usually 7-21 days from Execution Date)

If you are borrowing money to buy the house, you need to have the actual amount of the loan approved by the lender. This is a more rigorous process than pre-approval and the lender, in addition to a thorough review of your personal financial situation, will require the property to be appraised in value by an independent appraiser. If the appraised value comes in lower than the purchase price, the parties have an opportunity to renegotiate the sales price. If the buyer and seller cannot agree, the buyer has the option to terminate and the earnest money deposit will be refunded.

CLOSING

(usually 30-45 days from Execution Date)

The final step in getting the keys to your new home. This is where all the paperwork is signed by both parties transferring legal title of the property from the seller to you. Once the closing documents have been signed, the funds can be transferred and the sale is complete. Congratulations! You made it!

POST-CLOSING

This is when you tell your family, friends and colleagues about our exemplary work in making this such a smooth and enjoyable process. We ask that you please send only the sane ones.

typical BUYER CLOSING COSTS FOR DFW

The costs to purchase a home in the DFW area can be grouped into 3 main categories:

AT INITIAL SALES CONTRACT AGREEMENT:

Option Fee: typically \$200 - \$1,000 (credited at closing)
Earnest Money Deposit: typically 1% - 2% of sales price (credited at closing)

INSPECTION-RELATED COSTS:

Costs associated with inspecting the property to identify potential defects. A general inspection typically costs between \$500 - \$1,000 depending on the size of the house.

Additional Inspections (optional):

- Structural Engineering Report: \$500 - \$800
- Pool Inspection: \$100
- Termite Inspection: \$100
- Roof Inspection: typically a free estimate
- Foundation Inspection: typically a free estimate

FINANCING-RELATED COSTS:

Updated Survey: \$500 (if needed)
Property Appraisal: \$500 - \$1,000
Miscellaneous Title Company costs: \$500 - \$1,000

TEXAS HOMESTEAD EXEMPTIONS

Texas residents may apply for a Homestead Exemption on their principal residence to lower the property tax rate. You must be the owner of the home on January 1st of the tax year in which you are applying for the exemption, and the deadline for filing your exemption application is April 30th. Once you have had your residence deemed a Homestead, you do not have to file another application.



Buying a home is one of the most exciting and stressful things that most people will do in their lives. It's a process that is as much art as it is science. We are here to help guide you through your journey from search to closing table and beyond.



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