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REAL ESTATE

Unique Mountain Properties

The Home Buying Process A Step-By-Step Outline

- 1. Define Your Goals and Research Your Options**
- 2. Make a Plan**
- 3. Create a Working Relationship with a Buying Broker**
- 4. Get Pre-Approved for a Loan**
- 5. Research and View Homes**
- 6. Find Your Home**
- 7. Make an Offer and Negotiate with the Seller**
- 8. Secure Your Financing and Finalize the Deal**
- 9. Close the Deal**

Pappas Davis Real Estate

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1. Define Your Goals and Research Your Options

- Educate and prepare yourself as much as possible in advance. Clearly determine why you are buying and what kind of home meets your wants and needs.
- Begin researching areas/communities where you are interested in living. Look online or talk with a Pappas Davis broker about information on schools, crime rate, traffic and zoning. Determine your work commute. Look for local amenities that are of interest to you, such as parks, shops, hiking trails, and restaurants.
- Start thinking about the key features you want to have in your home and community, for example, size/square footage, architectural style, number of bedrooms, etc.
- Examine your current financial situation and project how much you can afford. Calculate your monthly income and debt.

2. Make a Plan

- Create an action plan and timelines for moving forward.

3. Create a Working Relationship with a Buying Broker

- One of the main things to consider when choosing your Buying Broker is their local market knowledge, experience and track record.
- Determine what services they are going to offer you during the buying process.
 - Services at Pappas Davis could include, but are not limited to, personalized home search, preview showings based on your criteria, recommendations from experienced brokers, and guidance and consultations throughout the buying process.

4. Get Pre-Approved for a Loan

- Generally, it is recommended that you get pre-qualified for a loan before you start viewing homes with a serious intention of buying. It is recommended that you speak with at least three lenders and/or mortgage brokers. Shop for the best interest rates and programs that suit your needs.
- The pre-approval process involves meeting with a lender and authorizing them to examine your current financial situation and credit history.
- On the basis of this examination, the lender will provide you with a document that details how much you can borrow to buy a home.
- There are benefits of pre-qualification:
 - To have the information regarding what you can afford.
 - As a qualified and motivated buyer you'll be taken more seriously when you make an offer on a home.
 - Some sellers will require a buyer prequalification letter when a contract offer is presented.
 - Lenders can tell you whether you qualify for any special programs that will enable you to afford a better home (particularly if you're a first-time buyer).

5. Research and View Homes

- To help you target your search and define your home preferences, your Pappas Davis broker will provide a buyer's guide checklist. This will ensure that our customized search will be tailored to your criteria.
- As a client of Pappas Davis, we will set up a customized online home search based on selected criteria. Information provided may include details of the home, video tours, and pictures.
- Once you have selected a few homes that are of interest, we will schedule home showings so you can view the homes in person. Our experienced brokers will view the homes with you, provide expert analysis and act as an impartial sounding board.
- Here are a few recent facts about the search process that might put your experience into perspective.
 - 87% of buyers use the Internet to search for homes
 - The typical buyer searches for 10 weeks and views 10 homes
 - 81% of buyers view real estate agents as very helpful in the search process

6. Find Your Home

- Finding your home that meets your needs and requested criteria is a great feeling. Once you have selected your home of choice, it is time to make an offer.

7. Make an Offer and Negotiate with the Seller

- Now that you've found the home you'd like to purchase, it's time to make an offer. Pappas Davis will provide counsel on the offer price along with the negotiations. Your Pappas Davis broker will prepare a Competitive Market Analysis (CMA), an estimate for the property's fair market value. We will also discuss and confirm the needed contingencies such as financial, inspection, or purchase contingencies.
- Our local real estate association, working with legal counsel, has developed the contracts that are used for transactions in Colorado. These contracts enable us to specify a sale price and also include many clauses for specifying various terms of purchase, such as the closing and possession dates, your deposit amount, and other conditions. We will include any special requests and repairs that you want to include in the sale.
- Once the offer price and contract terms have been determined, we will present the offer to the seller's representative or to the seller if they are not represented.
- The seller can accept your offer, reject it, or counter it to initiate the negotiation process. Successive counter-offers, with deadlines for responding and meeting conditions, will be exchanged between you and the seller until a mutually-satisfactory pending agreement is reached or the negotiations collapse. Your Pappas Davis broker will assist you throughout the negotiation process.

8. Secure Your Financing and Finalize the Deal

- Once under contract, your mortgage lender (if applicable) will order a home appraisal.
- Get a professional home inspection. Your Pappas Davis broker will attend the inspection with you.
- Choose a home insurance company.
- Once you have a pending agreement with the seller, it's time to go back to your chosen lender to finalize your mortgage details so you can close the deal. This means finalizing your down payment, interest rate, regular payment schedule and any other financial conditions associated with the closing.
- If you've already been qualified with a lender for a certain loan and home purchase, this phase of buying your new home should be a relatively straightforward matter that centers on finalizing the loan details and signing the mortgage papers.

9. Close the Deal

- Get a title search.
 - This is a historical review of all legal documents relating to ownership of the property, to ensure that there are no claims against the title of the property. It is also necessary to purchase Title Insurance in case the records contain errors or there are mistakes in the review process.
- Complete a final walk-through.
 - You will be given the chance to look at the home to make sure it's in the same condition as when you signed the sale agreement. Your Pappas Davis broker will attend the walk-through with you.
- Once settlement documents are available (around 2 days prior to closing), your Pappas Davis broker will review them with you to verify correctness and to see how funds will be collected and distributed.
- Get a cashier's check for the amount you will need to bring to closing.
- Verify and sign all paperwork required to complete the transaction.
 - Typically, on the Closing Date, you and your Pappas Davis broker will go to a Title Company office to close and sign all the paperwork required to complete the transaction.
 - The settlement will include your payment of closing costs, legal fees, property adjustments, and transfer taxes.
 - At that point, you'll receive copies of all documentation pertaining to the purchase.