

David Kerr & Rob Jones, Realtors®

Are You Ready to Buy?

Congratulations! You've made the decision to buy real estate. Whether it's your first home, an additional investment property, buildable land, or your vacation dream home or retirement home, being ready to buy will make your home search more enjoyable, and you'll have fewer surprises when you make an offer.

Make your list. You probably have a general idea of the kind of home you'd love to own. Maybe a sleek condo; or a single family home; or a working vineyard or ranch. Do you need proximity to particular schools or community services? Are there particular neighborhoods? Now's the time to sit down and make a detailed list of both what you **do** want, and what you **don't** want. Making an honest and clear list will help both you and your real estate agent focus in on just the right properties for you.

Know your timeline. Is your current lease up in 3 months? Are you able to take as many weeks or months as it takes? Know when you need to be able to move in. Also get a sense from your agent how long it may take to find the house you want in the location you desire. If you have very specific requirements, you will be more dependent on market supply. And don't forget: a typical purchase will take between 30-45 days to close once your offer is accepted.

Check your credit. Have a credit report done – and check your FICO number as well as what your creditors report about you. Have you paid your bills on time? Any red flags? Fix any problems now, so that when your lender asks, you'll be able to tell them honestly how you are working to correct any problems.

Get preapproved. Start this process early. Your Realtor® can give you referrals to lenders they know will do a good job. If you don't know how much you can borrow, you won't know what homes you should be looking at. And nothing is more disappointing than finding out that the homes you've been visiting are beyond your means.

Name your limits. Once you know how much financing you qualify for, you also need to identify how much you're comfortable borrowing. Remember, you're signing on for a monthly payment that may be significantly larger than you currently pay for rent or mortgage. Be very sure you feel comfortable with the monthly payment, not just the total amount of the loan.

Understand the costs. Talk with your agent and your lender. Your down payment and your loan are only part of the costs of buying a home. At the beginning of escrow you'll be paying for inspections and any specialist examinations of the property to ensure you understand what you're buying. At the end of escrow, when you sign all your loan and title documents, you'll be expected to pay a number of costs and fees – for title, escrow and lender processes, pro-rated taxes, appraisal, and possibly other funds to the seller or inspectors. If you are financing with multiple loan sources, each loan source will likely have its own fees and costs.

Talk with your Realtor® and your lender – both can give you more information on your specific circumstances and help you be the best informed and ready to buy.