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# BUYER'S GUIDE

What to expect when buying  
a home and how to prepare



**brad hutchinson**  
Real Estate



## 1. SET YOUR BUDGET

**Maximize your credit score** - credit score will drive your interest rate.

**Determine your down payment** - in most cases the closer you can get to 20% down the better.

**Calculate what you can afford to spend** - consider income, other expenses, anticipated mortgage, taxes, insurance and, if applicable, condo fees.

## 2. GET A PRE-APPROVAL

**Choose type of mortgage that meets your needs** - be open to non-traditional programs like a 5 or 7 year arm, especially if you are thinking this might not be your last. Arms have lower interest rates than standard 30 year loans.

**Speak to multiple lenders/mortgage brokers** - call on the weekend, too, and see who gives best service!

**Shop for the best interest rates and programs** - rates are negotiable to a degree. Ask for a lender referral!

## 3. DETERMINE KEY REQUIREMENTS

**Location - Location - Location** - this is the one thing you cannot change after you purchase.

**What type of home?** - single family, multi-family, townhouse, condo, loft.

**Other considerations** - price, size, architectural style, and specifics such as number of bedrooms, etc.

**Put together a list for us** - "must haves" in one column; "would like to have" in another.

## 4. RESEARCH THE AREA OF INTEREST

**Use your computer** - do a little digging into the neighborhood for school info, crime, zoning, etc.

**Use Google Maps** - for a street view of neighboring properties and also to determine your commute at different times of the day. See what else is nearby for entertainment, shopping and dining.

**Familiarize yourself with market conditions and trends of each area.**

## 5. START SEARCHING FOR YOUR HOME

**Your BHRE agent can create a tailored search** providing daily reports just for you.

**After choosing contenders** your BHRE agent will set up accompanied private tours.

**Go to open houses** - sign in and converse with the listing agent so they remember you. Make sure to let them know you are working with a BHRE agent.

**Online search can be helpful too** - (Realtor.com, bradhutchinson.com)

## 6. RESEARCH THE SPECIFIC HOMES OF INTEREST

**Your BHRE agent will assist in estimating fair market value and guide you through the process by gathering supporting info** - reason for selling, property disclosures, age of roof, age of heating system(s), discovery of any liens, easements, restrictions, etc.

## 7. MAKE AN OFFER

**Typically requires at least a \$1,000 deposit** - more money shows you are serious buyer.

**Your BHRE agent will assist you** to determine purchase price and deposit amount.

**We will also discuss** - contingencies (financial/inspection), terms of sale like any repairs or items to be included.

**The schedule of events including** inspection date, purchase & sale date, closing date.

## 8. INSPECTION

**Your offer may or may not include an inspection.**

**If your offer includes a home inspection**, you are responsible for this cost which is approximately \$500 to \$700 (or more!).

**Usually performed as soon as possible after offer acceptance** - hopefully within 5 days.

**Evaluate the results and make decision on how to proceed** - an inspection should not be used as a tool to re-negotiate your purchase price. Focus is on items you could not have seen.

**If you are waiving the inspection** in our offer, you might consider pre-inspection. Ask your BHRE agent.

## 9. HIRE ATTORNEY

**We strongly suggest that you hire a real estate attorney to assist with drafting the P&S.**

**Many lenders will assign an attorney** for title search and coordinating the passing of papers.

**Having your own attorney is a small expense** for the protection they will provide.

## 10. PURCHASE & SALE AGREEMENT

**Usually due between 7 and 10 days from offer acceptance.**

**Formal agreement spelling out exactly each side's rights and expectations.**

**Very similar to the offer** but with far more legal definitions and explanations of what is required.

**The execution of the P&S requires a much larger deposit** usually 5% of purchase price (minus what you gave at offer).

## 11. FINANCING/APPRaisal

**After P&S, a copy will go to the lender** who will schedule an appraisal of the property.

**The appraisal is important, as it is the underwriter's opportunity to evaluate whether the value is reasonable.** The cost of appraisal is added to the lender's closing cost.

**Complete the loan application process with lender.**

**Get a quote for home insurance.**

**It generally takes about 30 days for lenders to provide a loan commitment.**

## 12. FINAL WALK THROUGH

**Your BHRE agent will accompany you to your final walk through the property prior to closing** - together you will determine if the property is in the same condition as first seen, and is free of all the seller's belongings (check garage, under proches, etc.)

## 13. CLOSING

**It can take 45-60 days to close when using lender financing.**

**Review the lender/attorney-provided settlement document** (usually 5 days in advance).

**Understand how funds will be collected and distributed**, and bring the balance of your downpayment and closing costs to the closing table.

## 14. CONGRATULATIONS, YOU OWN A HOME!



*Every real estate office is different. Our years of experience in the competitive real estate market, and our dedication and commitment to our buyers, sellers, and the communities we serve, set Brad Hutchinson Real Estate apart.*

**We look forward to helping you open the door to your real estate goals, hopes, and dreams.**



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