



**HOMES by  
HAZARD**



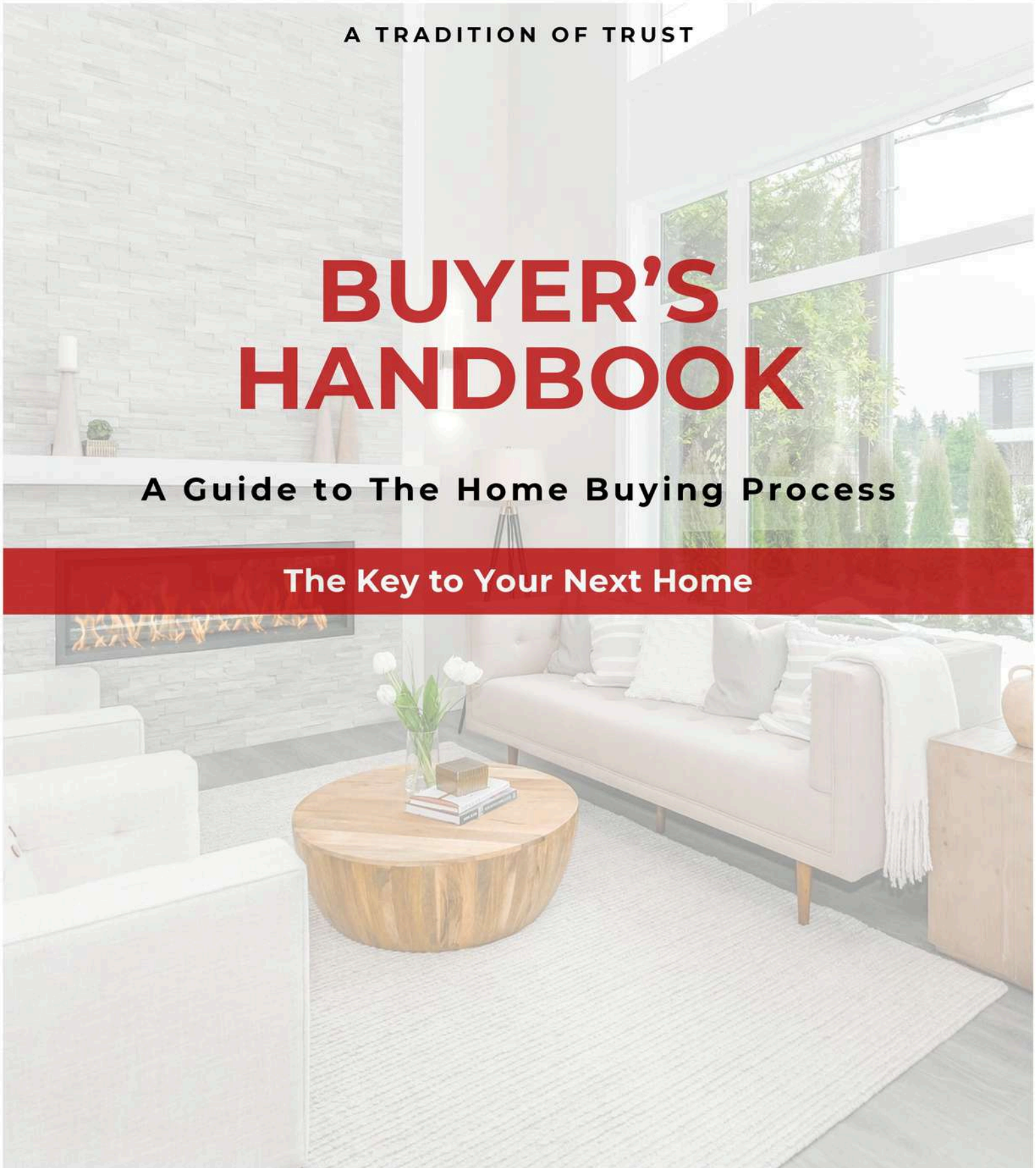
**GRAND  
RAPIDS NORTH  
KELLERWILLIAMS. REALTY**

**A TRADITION OF TRUST**

# **BUYER'S HANDBOOK**

**A Guide to The Home Buying Process**

**The Key to Your Next Home**



# STARTING THE JOURNEY ...

## Things to consider when **BUYING A HOME**

At Homes by Hazard, we have made it our top priority to put you and your needs first. We understand that the process of buying a home can be very stressful and we have the tools to guide you in the right direction with our help.

This guide is information gathered over our experience in real estate that will help answer your questions and help you fill in any blanks all while making this process easier for you.

Once you have gone through this guide and you still feel like you have questions or need clarification, let us know. Helping people is our passion as we are community market leaders. Let us help provide you an amazing service as we help guide you through one of the biggest journeys one can go on.

Hoping to help in any way possible.

# BEST

*Homes by Hazard*



# 1. THE BEGINNING *of the process*

As this can be a very exciting time, we want to ensure your confidence in us to let you know we are here to help the process run effortlessly and smoothly; always putting you and your family first. This is something we are passionate about and enjoy doing; therefore, we are happy to help guide you through the entirety of the process.

Our goal as a community market leader is to provide those in our community with exceptional service. With our years of combined work, digital marketing strategies, online platform, and hearts that care more about serving you than selling you, we ensure you have our full integrity in this process.

*Bringing you results that move you...*

## **WHAT ARE YOUR** *goals and objectives?*

What is the reason you are buying? Are you looking to upgrade? Are you looking to downsize? Do you need to relocate for a job? Are you moving to be closer to family? Are you moving to be in a nicer area or closer to better schools?

This is all very important in order for us to understand why you are moving and what you are looking for. When we know what you are looking for we can better accommodate you and your needs.



## 2. *What's happening* **IN THE MARKET**

With everything going on in the housing market right now, you may have a number of questions about what that means for you and your plans to buy a home. Here are three things that are likely top of mind for you.

### ***Why did mortgage rates rise so much in late 2023?***

In 2023, inflation reached a high not seen in 40 years. As it did, you probably felt the pinch at the gas pump and in the grocery store. But inflation did more than increase the cost of goods and services, it also led to the rapid rise in mortgage rates. CNET explains:

“As a general rule, when inflation is low, mortgage rates tend to be lower. When inflation is high, rates tend to be higher.” As mortgage rates rose, they impacted your purchasing power by increasing the cost of buying a home. And moving forward, experts agree rates will continue to respond to inflation. If inflation eases, rates may decline as a result.

### ***What's happening with home prices?***

Headlines about home prices can be confusing. While home price appreciation has cooled somewhat, where home prices will go from here will vary based on supply and demand in our local market.

That may be why some experts say prices will decline slightly and others say they'll continue to climb, just more moderately than they have been recently.



# *What's happening* **IN THE MARKET**

## ***Should I Buy a Home Today?***

Even with higher mortgage rates and today's home prices, it can still make sense to buy a home today. That's because buying a home is so much more than just a financial decision. It's a lifestyle choice as well. As Freddie Mac, says:

"Deciding whether to rent or buy depends on your financial situation, future plans and lifestyle. Both options have benefits that you need to carefully consider before making your decision."

If your needs have changed or if you are looking for a space that's truly your own, there are still many compelling reasons to buy a home today. The sense of accomplishment, the wealth-building opportunity, and the chance to stabilize your monthly payments can make it all worthwhile.

## ***Ultimately...***

Don't let the uncertainty in the market put your dreams on hold. Let's connect so you have an expert on your side to answer all your housing market questions. Together, we'll review your goals and what's happening in our market so you have the information you need to make a powerful and confident decision.



# 3. *The non-financial benefits of* **HOME OWNERSHIP**

While you could see less competition and more room for negotiation, you may be wondering if now's the best time to buy a home given the fluctuation in mortgage rates. While the financial aspects are important to consider, there are also powerful non-financial reasons it may make sense to become a homeowner

## **Homeowners Can Make Their Home Truly Their Own**

Owning your home gives you a significant sense of freedom because it's a space you can customize to your heart's desire. That can bring you added happiness. In fact, a report from the National Association of Realtors (NAR) shows making updates or remodeling your home can help you feel more at ease and comfortable in your living space. NAR measures this with a Joy Score that indicates how much happiness specific home upgrades bring:

"There were numerous interior projects that received a perfect Joy Score of 10: paint entire interior of home, paint one room of home, add a new home office, hardwood flooring refinish, new wood flooring, closet renovation, insulation upgrade, and attic conversion to living area."

And as a homeowner, unless there are specific homeowner's association requirements, you typically won't have to worry about the changes you can and can't make. If you rent, you may not have the same freedom. And if you do make changes as a renter, there's a good chance you'll need to revert them back at the end of your lease based on your rental agreement. That can add additional costs when you move out.

# *The non-financial benefits of* **HOME OWNERSHIP**

## **Owning a Home Can Give You a Greater Sense of Achievement**

There's no denying taking care of your home is a large responsibility, but it's one you'll take pride in as a homeowner. Freddie Mac explains:

"As the homeowner, you have the freedom to adopt a pet, paint the walls any color you choose, renovate your kitchen, and more. . . . Of course, along with the freedoms of homeownership come responsibilities, such as making your monthly mortgage payments on time and maintaining your home. But as the property owner, you'll be caring for your own investment."

You're not taking care of a living space that belongs to someone else. The space is yours. As an added benefit, you may get a return on investment for any upgrades or repairs you make.

Homeownership Can Lead to Greater Community Engagement That sense of ownership and your feelings of responsibility can even extend beyond the walls of your home. Your home also gives you a stake in your community. Because the average homeowner stays in their home for longer than just a few years, that can lead to having a stronger connection to our local area. NAR notes:

"Living in one place for a longer amount of time creates an obvious sense of community pride, which may lead to more investment in said community."

If you're looking to put down roots, homeownership can help fuel a sense of connection to the area and those around you.

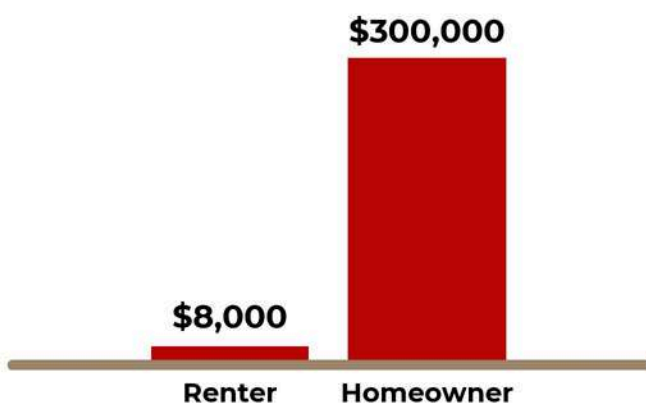
**Ultimately, if you're planning to buy a home, know that home ownership has the power to change your life. Let's connect to discuss everything home ownership has to offer.**



# 4. *Renting vs.* **BUYING**

Rents have been rising aggressively for decades. When rents rise, you pay more, and that can make it harder to save to buy your own home.

## **Average Household Net Worth**



## **Home Ownership Is a Powerful Wealth-Building Tool**

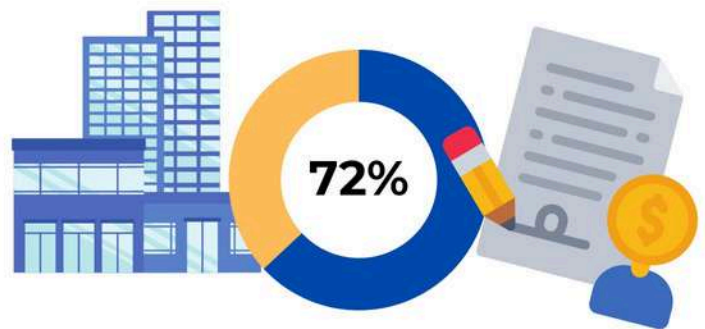
When you own, you gain equity as home prices rise and as you make your monthly payments.

That's one of the reasons why homeowners have a higher net worth.

## **Home Ownership Is Typically Considered a Good Hedge Against Inflation**

With inflation high, landlords may even be more likely to increase rents.

Homebuyers can lock in a monthly payment for 15-30 years.



of landlords plan to raise the rent on one or more of their properties in the next year.



# 5. *Long term benefits of* **HOME OWNERSHIP**

Consider this: if you know people who bought a home 5, 10, or even 30 years ago, you're probably going to have a hard time finding someone who regrets their decision. Why is that? The reason is tied to how you gain equity and wealth as home values grow with time.

FHFA HPI® Four-Quarter Appreciations (as of 2023Q3)

## **Michigan**

1-Quarter Appreciation: 3.0%  
4-Quarter Appreciation: 7.9%  
5-Year Appreciation: 58.2%  
Appreciation since 1991: 251.3%

As of 9/30/23  
Source: FHFA



While home price growth varies by state and local area, the nationwide average tells you the typical homeowner who bought a house 30 years ago saw their home increase significantly in value over that time. This is why homeowners who bought their homes years ago are still happy with their decision.

The alternative to buying a home is renting, and rental prices have been climbing for decades. So why rent and deal with annual lease hikes for no long-term financial benefit? Instead, if you're ready, consider buying a home. It's an investment in your future that could set you up for long-term gains.

# 6. Homebuyer's TASKAWAY

We just wanted to give you a bird's eye view. The summary of the process is as follows. However, your agent will have a more detailed list of the follow-up steps.





# 7. *Finding an* **AGENT**



Buying a house and ultimately having a house that you love and that suits you is one of the most important decisions in this life.

In this process, you will need a talented consultant who will always be with you, give you professional support and guide you.

## ***Sector Knowledge***

We can access important non-public resources and enable you to act more accurately and gain detailed information about the industry.

## ***Optimum Price Negotiation***

With professional industry knowledge and experience, we can help you negotiate the optimum price for your home.

## ***Expert Experience***

As Real Estate Experts, we receive continuous training and go through the compliance process in order to be able to master the current regulations related to official documents and information.

## ***Customer Service***

Our team is dedicated to helping you answer any questions that arise from this process. We treat you, how we would like you to treat us!



# 8. *Financial* **ISSUES**

## ***Set Your Budget and Know Your Finances***

Get your finances in order, get a credit check, and get pre-approved for a mortgage. It is recommended that you stay within a budget of 3-5 times your annual income when purchasing a new home. Consider other factors when determining your mortgage, such as the down payment, legal fees, taxes, home inspection costs, appraisal costs, and renovation costs.

## ***What Should Your Down Payment Be?***

You should determine the deposit amount that suits you best and guarantee your purchase. 20% is generally preferred as the prepayment amount. But of course you don't have to. Have a conversation with your lender and real estate agent to determine what is best and appropriate for you

## ***Know Your Credit Score***

Your lender will likely perform a credit check prior to approving a mortgage and determining your interest rate. The most ideal range will be 620 or above.

The better your score, the lower the interest rate you will be charged on your mortgage.



## ***Pre-Approval***

Obtaining a pre-approval on your mortgage will help you in many ways. First it will help you determine your budget, and help you stay within your means. Second it shows the seller that you are serious about purchasing a home, and that you have the funds necessary to complete the purchase. Although you are pre-approved for a loan, does not mean that you will be guaranteed this amount in your final mortgage. You will still have to be approved for a mortgage after you have submitted an offer. It is important not to make any significant purchases or alter your credit score in any way during this time



# 9. *Exploring* **HOMES**

## ***Home Visit Tips***

- Take photos as you go through the open houses so you remember the layout and the feel of each house you visit.
- Pay attention to features of the property that are fixed such as the neighborhood, the lot size, and the orientation of the home. Don't pay too much attention to the colors of the walls or the furniture.
- Be sure to check out the small details like the light switches, water features, and appliances to make sure everything works.
- Be sure to make a list of your must haves, wants, and don't cares.

I love helping buyers find their dream home. That's why I work with each client individually, taking the time to understand their unique lifestyles, needs and wishes. This is about more than a certain number of bedrooms or a particular zip code. This is about your life. And it's important to me.

When you work with me, you get:

- A knowledgeable and professional REALTOR
- A committed ally to negotiate on your behalf
- The backing of a trusted company, Keller Williams Grand Rapids North

I have the systems in place to streamline the home-buying process for you. As part of my service, I will commit to helping you with your home search by:

- Previewing homes in advance on your behalf
- Personally touring homes and neighborhoods with you
- Keeping you informed of new homes on the market
- Helping you preview homes on the web
- Advising you of other homes that have sold and for how much
- Working with you until we find the home of your dreams

# Exploring **HOMES**

## **Getting Started**

Basic Information:

- Who is the primary contact and what is the best time and way to reach that individual?
- What is prompting your move? When do you need to be in your new home? Are you pre-approved for a mortgage? What is your price range?
- If I found a home today that meets all of your needs and as many of your wants as possible, would you make an offer?

## **Your Home Wish List**

Lifestyle:

- Who will be living in the home you purchase?
- Describe your lifestyle. What do you enjoy doing at home? Do you do a lot of entertaining? How do you spend your time in the evenings and on the weekends?
- Does your home need to accommodate any special needs?
- Do you have any pets?
- Do you have anything special that needs to be accommodated such as athletic equipment, fine art, large furniture, or a large collection?
- When people come to your home, what do you want your home to say about you?
- Is there anything I should know about your lifestyle that I have not asked?

## **Location**

- Tell me about your ideal location. What is your maximum commute time and distance? What is your work address? Are schools important? Is there a particular view you are seeking (e.g., skyline, lake, etc.)? What else is important about your location?





# *Exploring* **HOMES**

## ***General***

- Do you have a preference for when the house was built?
- Do you want a house in move-in ready condition or are you willing to do some work on it?
- When people come to your home, what do you want your home to say about you?
- Do you want to have a swimming pool or hot tub?
- Are you looking for any structures such as a pole barn or shed?

## ***Structure/Exterior***

- What type of home are you looking for (e.g., single-family, condo, townhouse, etc.)?
- Approximately what size house are you looking for (square footage)?
- How many stories? What size lot would you like? What architecture styles do you prefer?

## ***House/Interior***

- What kind of style do you want the interior of your home to have (e.g., formal, casual, cozy, traditional, contemporary)?
- What kind of floor plan do you prefer (e.g., open vs. walls between all living spaces)?
- In general, what are your likes and dislikes for the interior of your home?
- How many bedrooms and bathrooms do you need?
- What kitchen features must your kitchen have (e.g., breakfast area, types of appliances, etc.)?
- What finishes do you want (e.g., countertops, flooring, appliances, etc.)?
- Do you want a fireplace?
- What other rooms do you need or want?

## ***Summary***

- What are the top five things your home needs to have?
- Beyond those five things, what is something else you really want to have?

# 10. *Making an* OFFER

## ***Your Offer***

- Once you've found the house you like, make a formal offer to the seller so it's clear that you're serious. In general, sellers give a showcase price above the price they want to sell, consult your real estate agent about this.

## ***Negotiate***

- Do not hesitate to bargain when bidding. Make sure the price set is fair to you. Also, always consult with a professional real estate agent to make it easier for you to set a fair price when bidding.



# 11. *Control* Observation

## ***Evaluation/Result***

- Ask your inspector to prepare a report for you and write down the details of his/her findings in it, explaining them with photographs.
- Wait patiently for the review to complete, the findings are quite substantial. Then you can start negotiating.



# 12. *Ordering the* **APPRAISAL & TITLE**

## ***Appraisal/Title***

There are 2 more steps to complete before purchasing your new home:

- Appraisal
- Property title search

The lender will request an official home appraisal report before approving your loan.

Please arrange a home insurance contract for your new home. Make sure you are working with a reliable and loyal company.

## ***Financial Control***

The lender will check the following issues before approving your loan;

- Your Monthly/Annual Income
- Your Current Credits
- Your Credit Score Your
- Working Status



# 13. *Organize for* **MOVING DAY**

## ***Schedule Your Move***

- Set a budget for moving expenses
- Set Shippers
- Cleaning Company
- Buy boxes, tape and other supplies
- Check the weather
- Send change of address cards
- Set up sitter for child/pet
- Change the door lock
- Pay the movers
- Turn on/off utilities





# Organize for **MOVING DAY**



Electric Company :

Phone:

Website:

Deposit :



Water Company :

Phone

Website

Deposit :



Gas Company :

Phone:

Webstte:

Deposit :



Telephone Company :

Phone:

Website:

Deposit :



Internet Company :

Phone:

Website:

Deposit :



Refuse Company :

Phone:

Website:

Deposit :

# 14. *Closing* **THE SALE**

Congratulations! You now legally own a home.

There are many legal procedures involved in the closing process. Make sure you have the documents you need to prepare (your photo identification document, additional documents given by the title company or lender, etc.) ready.

Change all of the locks in the house and re-program all of the remote controls.

Finally, enjoy your new home!

*Congratulations!*







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