

BUYER GUIDE





THINGS TO KNOW BEFORE YOU BUY

Buying your new home can be an exciting adventure! Our home buying guide will help you understand the process – from steps you should take at the beginning through closing on your new home. While there are a lot of details involved, taking the right steps and making informed decisions will make your purchase go smoothly as possible.

Before beginning your home search, make sure to have clearly set goals: desired neighborhoods, type of home, must-have amenities, etc. As you get into the market, you may need to be flexible on some of these requirements, but starting with a best-case list will be helpful.



SECURE FINANCING

Before purchasing a home, it's important to make sure you have your finances under control – make a detailed budget and ensure that you have savings and reserves in place to support your home purchasing goals.

Get Pre-Approved

Call several mortgage lenders – you'll find differences in rates, fees, and customer service. Finding the right mortgage lender is important. Check reviews as well to make sure you're choosing someone with a track record of satisfied borrowers.

Pre-approval is a good idea at this stage – you'll have more power as you submit offers and negotiate with sellers if you are already approved for a mortgage. Use estimated closing costs to validate you have enough money set aside for this process.



HIRE A REAL ESTATE AGENT

By this point, you have a good grasp of the type of property you're looking for and the purchase price you can afford. Interview several agents to find someone who regularly sells similar homes. Again, look for social proof and check out reviews. Home-buying can be a storm and you want a good captain that you can trust!

Work with your agent to search homes that meet your goals and criteria. You'll also want to make sure you view homes in person – pictures can sometimes be misleading! Don't get frustrated if you don't find a home immediately – each showing gives you a chance to learn more about what you can get in your area at your price point. You'll eventually find a place to call home.



NEGOTIATE AN OFFER

Once you've found the home you'd like to buy, it's time to make an offer. Here's where a good agent earns their money – showing you the home is the easy part. Shepherding you through offer and closing is where great agents shine!

Sellers can counter your offer, inspections can reveal possible repairs, and you can suddenly find your budget at risk and maybe even question if this is the right home for you. Above all, stay calm and continue to communicate with everyone involved. Check your budget, your emotions, and your buying partner to make the next right steps.



CLOSE THE DEAL

The timing for closing can vary, but the average is 45 days. Typically, within 48 hours prior to closing, you'll do a final walk-through to check that any agreed-to repairs are completed and that the home is in the expected condition. You can expect to meet with your lender and agent to finalize the paperwork. Attorneys, the seller's agent, a rep from the title company, and the designated closing agent may be present, as well. During the closing appointment, all paperwork will be finalized and you will receive the keys to your new home!

RULES

when buying
a new home

so you don't have a money pit



RULE #1 HIRE AN INSPECTOR

The only safe way to avoid buying a property lemon is to get a home inspection and a pest inspection that's conducted by a qualified specialist. In the meantime, pay close attention to the structure when you view a property. Cracking in the walls or plaster indicates subsidence, which is one of the most expensive defects to fix. New homes are not immune. Inadequate soil testing and hastily built foundations without proper grading can cause a new home to crack and fail. There are a number of other types of inspections you can hire professionals to perform during your transaction - it's important to do your due diligence.



RULE #2

LOOK FOR WATER DAMAGE

When water gets into a property over a sustained period, you can expect major structural damage. Rust on the roof or gutters, sagging gutters, and wall paint that's bubbling or peeling away from the walls usually indicate a leaking roof. Other signs of water damage include damp patches, discoloration, rotten skirting boards, peeling wallpaper, and the pervasive smell of mold.



RULE #3 CHECK THE APPLIANCES

To check for rusting pipes or poor water pressure, just turn on the water and see what comes out. If the water is brown, you've got rust. If the water is gushing (or trickling), you've got water pressure issues. When it comes to electrical, poorly installed or poorly maintained electrical systems are a fire hazard. Older properties are particularly susceptible, but you should be on the lookout for dodgy wiring in a new home too. Red flags include blackened areas around power points and flickering lights. Finally, in regards to the heating and cooling systems, these are very high dollar expenses — So turn them on and check to see if they're operating properly.



RULE #4

GET A HOME WARRANTY

No house is perfect, even new construction homes. So ask the seller to buy a home warranty and write this into the purchase contract. A home warranty pays out if your mechanical or electrical systems malfunction. Typically, it also covers the air conditioning, furnace, water heater, ductwork, telephone wires, plumbing, and electrical systems. If the home also has a pool, it's worth asking the seller to buy coverage for that too.



RULE #5

CHECK OUT THE NEIGHBORS

A property in good shape can still be a lemon if the neighbors drive you bananas. Check out the neighbors before you buy. Cruise the neighborhood at night and see what the people on the street are doing. Listen out for barking dogs and late night parties. Local store owners are good for gossip, so ask what they know about the street and the people who live there.



RULE #6

CHECK PERMITS

Building permits are required for just about every type of home improvement, from remodeling the garage, to adding a deck. Permits obtained over the life of the property indicates that the work was done by a legitimate contractor in compliance with local building codes. Conversely, a property that displays clear signs of improvement, such as new windows, but has no permit, is a red flag. There's a risk that the work is substandard and will end up costing you money to fix or bring up to code.



RULE #7

VERIFY, DON'T ASSUME

If you're moving into an area because you've heard it's peaceful, has great schools, low taxes, low crime rates and so on, verify these assumptions. Otherwise, you may end up with freeway construction at the end of your street or find that your "low" tax bill is topped up heavily by special assessments. Let your real estate agent know your needs and concerns and have her check out crime statistics, county records, and key community information. After all, you can fix up a rundown property, but you're stuck with its location.

BUY

WITH CONFIDENCE

holly ross

REALTOR

207-701-2013

holly@scoutingmaine.com

McAllister Real Estate
143 Water Street • Hallowell, Maine 04347

