

CLT REALTY



First Time Home Buyer Guide

CHARLOTTE, NC

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RESIDENTIAL BROKERAGE



FIRST 3 STEPS TO PREPARE FOR THE HOME BUYING PROCESS

Buying your first home may seem like a daunting task, but in reality, it can prove to be one of the most exciting and rewarding events in your lifetime. When making the biggest purchase decision of your life, you want to make sure you're adequately prepared to help alleviate stress and make the process as smooth as possible. These first 3 steps are imperative to begin the process and ensure a smooth transaction.



01 **GET YOUR FINANCES IN ORDER AND DETERMINE HOW MUCH YOU CAN AFFORD**

Obtain a copy of your credit report and ensure your credit score is healthy enough to initiate the home buying process. Next, gather your financial information, determine a realistic budget, and prepare to save 3% - 20% for a down payment.

02 **FIND A MORTGAGE LENDER AND GET PRE-APPROVED FOR A MORTGAGE**

Having a pre-approval letter before house shopping will show sellers that you're a serious buyer. Shop around and discuss your finances with multiple lenders to compare rates and terms. Weigh all options and choose the right one for you.

03 **HIRE A REALTOR® TO REPRESENT YOU THROUGHOUT THE HOME BUYING PROCESS**

A REALTOR® will be directly by your side through every step of the home buying process. Hire one you trust to represent you in the transaction and advise you honestly along the way. The best part? Their guidance comes at no cost to you!

Discuss Needs & Wants

Once you've completed the first 3 steps in preparation of the home buying process, the fun can officially begin. Before jumping straight into the home search, sit down with your realtor to discuss what you're looking for in your first home. Make a list of needs, wants, and must-haves and prioritize them based on importance. Figure out what you can live with and what you absolutely cannot live without. This will help save time by allowing your realtor to filter the search accordingly.

FACTORS TO CONSIDER

What do you want in your first home? Use the checklist below to create an organized wish list of needs, wants, and must-have features for your first home.

PROPERTY TYPE

Single-Family Townhome Apartment/Condo

BEDROOMS

1+ 2+ 3+ 4+ 5+

BATHROOMS

1+ 2+ 3+

EXTERIOR FEATURES (check all that apply)

Ranch-style 2+ stories New Construction
 Split-level Pool Garage
 Fenced yard Cul-De-Sac Screened porch
 Shed/storage Waterfront Deck or patio
 Other: _____

INTERIOR FEATURES (check all that apply)

Hardwoods Carpet Family room
 Master Suite Office Open floor plan
 Guest Suite Fireplace Updated kitchen
 Formal Dining Storage Bonus Room
 Other: _____

COMMUNITY AMENITIES (check all that apply)

Clubhouse Park Community pool
 Tennis courts Golf course Fitness center
 Gated Community
 Other: _____



Let's Go Shopping!

It's time to find your first home.

One of the most important factors to consider when purchasing your first home is *location*. After you've completed the checklist on page 3, determine *where you want to live* by asking yourself the questions below:

- Do I want to live in the city or suburbs?
- Which School District do I want to live in?
- What will my work commute look like?
- What will my proximity to friends & family be?
- What will my proximity to leisure activities be?
- Which neighborhoods are my favorite?

Next, using the MLS, market research and networking, your REALTOR® will create a list of prospective homes to visit, plus any additional homes you find doing your own home search.

After visiting a property, write down what you liked and didn't like. Do this for every property you visit to help keep track of what you've seen.

Keep searching until you've found the one!

You've Finally Found the House. Now What?



MAKE AN OFFER

Once you've found the perfect first home, your REALTOR® will assess the home's market value using recent comparable sales to help you determine how much money you feel comfortable offering the sellers.

Next, your REALTOR® will draft a North Carolina Offer to Purchase and Contract that will include price, due diligence fee, earnest money fee, due diligence period, closing date, and any other terms you'd like to include.

NEGOTIATE

Once the offer terms are finalized, your REALTOR® will submit the offer to the listing agent. The seller can reject, accept, or counter offer with a different price or propose different terms. If the seller counters, you can then reject, accept, or counter their offer.

The negotiation process could take anywhere from a few hours to multiple days to come to an agreement.



UNDER CONTRACT

After you and the sellers have agreed upon the offer terms and all parties have signed the Offer to Purchase and Contract, you're officially under contract.

Congratulations!



THE DUE DILIGENCE PERIOD

The due diligence period is an agreed upon period of time where a buyer has the opportunity to inspect the home to ensure they want to move forward with the purchase.

When making an offer, the buyer will offer a nonrefundable Due Diligence Fee in exchange for the seller to take the home off the market and essentially hold it for the buyer. During this period, you'll want to conduct a professional home inspection to pinpoint any problems or inefficiencies within the home.

The buyer can legally walk away at any point during the due diligence.

What happens during the due diligence period?

Below is a Due Diligence checklist that will help you understand the condition of the home and help you determine if you'd like to move forward with the transaction. Keep in mind not every line item may apply to your situation or be worth the added expense, but these are all things that could be considered during the due diligence period:

- Hire a licensed home inspector
- Have the home inspected for termites and other wood-destroying insects
- If the home was built before 1978, you may want to hire someone for lead-based paint testing
- Hire a radon gas inspector
- Have the property surveyed to determine exact boundaries
- Arrange the closing with a closing attorney, your lender, the agents, and the sellers
- Review the Covenants, Conditions, and Restrictions in the HOA if applicable
- Review the inspection report(s) and negotiate any repairs or concerns with the sellers
- Walk-through and ensure all agreed-upon repairs have been completed to your liking
- Purchase an appraisal to determine the property's value
- Get quotes for homeowner's insurance
- Schedule all utilities to be transferred to your name the day of closing
- Receive final approval for the loan



The Closing Process

The very last step in the home buying process is closing. In North Carolina, it is required that a real estate transaction be processed by a closing attorney, who is responsible for preparing all necessary documentation for closing.

The closing will take place at the closing attorney's office and you'll need to bring two forms of identification along with your closing funds. You'll then sign all necessary paperwork including mortgage and closing documents.

Once everything has been signed, the deed will be recorded with the Register of Deeds office and you'll walk away with the keys to your first home!

CONGRATULATIONS! You're officially a homeowner!



Typical Home Buyer Expenses

No one likes sticker shock. Below are typical out-of-pocket expenses you can expect to pay when purchasing a home.

- Down Payment
- Due Diligence Fee
- Earnest Money Deposit
- Inspection Costs
- Appraisal Fee
- Survey Fee
- Property Taxes
- Lender Fees
- Attorney Fees
- Title Insurance
- Homeowners Insurance
- Closing Costs

STILL HAVE QUESTIONS?

I'd love to answer any questions and help in any way I can. Feel free to reach out via the contact information below or ***click here*** to schedule a free Home Buying Consultation today!

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