

# Where do I start?



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## BUYING A HOME

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# Your Journey to Homeownership

When it comes to buying a home, here are the key milestones in the process.



**Build Your Team**  
Kickstart the process by finding trusted experts to guide you along the way.



**Check Your Score**  
Find out your credit score and work to improve it by cutting down debt and spending.



**Boost Your Savings**  
Talk to a professional about down payment options. Then set a goal and budget accordingly.



**Make an Offer**  
Meet with your agent to draft your offer and negotiate with the seller.



**Go House Hunting**  
Tour with your agent to explore neighborhoods, home types, and determine your must-haves. Repeat until you find the one.



**Know Your Numbers**  
Discover what you can afford based on interest rates, income, and more. Then get pre-approved to have a competitive edge.



**Get an Inspection and an Appraisal**  
Rely on the pros as they determine the value and condition of your new home.



**Make It Official**  
On closing day, sign the final documentation and get the keys to your home.



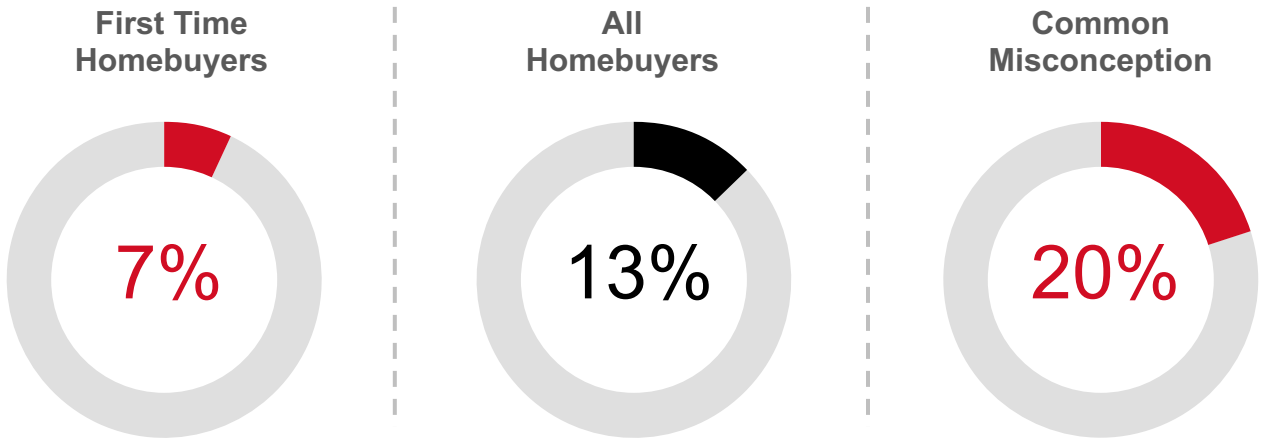
**Move into your New Home**  
Send in the movers because it's time to make your dream a reality on move-in day.



*There's a common misconception that you need to come up with 20% of the total purchase price of a house for your down payment. But that is not always the case.*



According to the Profile of Home Buyers and Sellers from NAR, the median down payment hasn't been over 20% since 2005. It may sound surprising, but today's typical down payment is only 13%. That number is even lower for first-time homebuyers (see chart below):



*If you're looking to buy this year, let's review your options together.*



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# The JS REALTOR® Team 4 Step Buying Process



## Create a Plan

It starts with figuring out your needs, and how much house you can afford. We'll help you navigate this to anticipate costs and create a plan to avoid surprises later. We even offer free financial consultation.



## Start Shopping

Now you get to start looking for your perfect home! We will help you find houses as they hit the market, and get pre-approved, so that you are able to make an offer.



## Seal the Deal

Now it's time to make an offer on your dream home and manage emotions to avoid overpaying. This is the time when The JS "Bundle of Terms" will aid in your winning the home.

Plus, with Jeff as your agent, you get \$750-\$2,000\* cash bonus at closing!



## Own Your Home

There's nothing like pulling into the driveway of your new home for the very first time. We will be celebrating with you as you move in and enjoy being a homeowner.

\*Cash bonus based on sale price of home. Minimum of \$150,000



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# Things to Avoid After Applying for a Mortgage

Consistency is the name of the game after the applying for a mortgage. Be sure to discuss any changes in income, assets, or credits with your leader, so you don't jeopardize your application



Don't change bank accounts



Don't apply for new credit or close any credit account



Don't make any large purchases



Don't deposit cash into your bank accounts before speaking with your bank or lender



Don't co-sign other loans for anyone

*As a buyer in a sellers' market, you may feel like you're stuck between a rock and a hard place, especially when inventory is as low as it is today. When you do find the right home, here are five tips to keep in mind that will help you make the best offer possible.*



# 5 Tips for Making Your Best Offer



## Know Your Budget

Knowing your budget and what you can afford is critical to your success as a homebuyer. The best way to understand your numbers is to work with a lender so you can get pre-approved for a loan. As Freddie Mac notes:

*“This pre-approval allows you to look for a home with greater confidence and demonstrates to the seller that you are a serious buyer”*

Showing sellers you're serious can give you a competitive edge. It enables you to act quickly when you've found your perfect home



## Be Ready To Move Fast

Speed and the pace of sales are contributing factors to today's competitive housing market. According to the Existing Home Sales Report from the National Association of Realtors (NAR):

*“Seventy-nine percent of homes sold in January 2022 were on the market for less than a month”*

When homes are selling fast, it's important to stay on top of the market and be ready to move quickly. A skilled agent will help you put together and submit your best offer as soon as you find the home you want to buy.



## Lean on a Real Estate Professional

No matter what the housing market looks like, rely on a trusted real estate advisor. As Freddie Mac says:

*“The success of your homebuying journey largely depends on the company you keep. . . . be sure to select experienced, trusted professionals who will help you make informed decisions and avoid any pitfalls.”*



Agents are experts in the local real estate market. We have insight into what's worked for other buyers in the area and what sellers may be looking for in an offer. The JS Realtor Team will help you understand offers and how to cater to what a seller needs, so your offer stands out. We call this "The Bundle of Terms".



## Make a Strong, but Fair Offer

According to the Realtors Confidence Index from NAR, 46% of offers today are above the list price. That means when you've found your dream home, offering below or even at a home's asking price may not be enough right now.

Lean on your agent to help you understand the market value of the home and recent sales trends in the area so you can craft your best offer.



## Be a Flexible Negotiator

When putting together an offer, your trusted real estate advisor will help you consider which levers you can pull, including contract contingencies (conditions you set that the seller must meet for the purchase to be finalized). Of course, there are certain contingencies you don't want to give up, like the home inspection. Freddie Mac explains:

“A home inspection contingency gives you the opportunity to have the entire home you'd like to purchase examined by a professional before you close on your contract. Without this contingency, you could be contracted on a house you can't afford to fix

## Bottom Line

Today's competitive landscape makes it more important than ever to make a strong offer on a home. Let's connect to make sure you rise to the top along the way.



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# Key Terms To Know When Buying A Home



## Appraisal

A report highlighting the estimated value of the property completed by a qualified third party.

Lenders rely on appraisals to validate a home's value and ensure they're not lending more than the home is worth.



## Closing Costs

The fees required to complete the real estate transaction. Paid at closing.

Ask your lender for a complete list of closing cost items, including points, taxes, title insurance, and more.



## Credit Score

A number ranging from 300-850 that's based on an analysis of your credit history.

This helps lenders determine the likelihood you'll repay future debts.



## Down Payment

Down payments are typically 3.5-20% of the purchase price of the home. Some 0% down programs are also available.

Ask your lender for more information.



## Mortgage Rate

The interest rate you pay to borrow money when buying a home.

The lower the rate, the better.



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# Key Terms To Know When Buying A Home



## Pre-Approval Letter

A letter from a lender indicating you qualify for a mortgage of a specific amount.

This is a critical step in today's competitive market.



## Inspection Contingency

A provision in a contract requiring an inspection be completed.

While it can be tempting to waive in a competitive market, the home inspection is essential. It gives you information on the home's condition and potential repairs.



## Affordability

A measure of whether someone earns enough to qualify for a loan on a typical home based on the most recent price, income, and mortgage rate data.

As prices and mortgage rates continue to rise, that will impact how much home you can afford.



## Equity

The value in your home above the total amount of liens against your home.

With today's price appreciation, many homeowners are realizing they have more equity than they thought and they're using it to move.



# BUDGET AND SPENDING PLAN\*



Net Monthly Wages/Income**	Budget	Actual
Salary #1 (net take home pay)		
Salary #2 (net take home pay)		
Other income (net of taxes):		
Dividends		
Interest Earned		
<b>Total Net Income</b>		
Expenditures	Budget	Actual
Charitable Giving 1-10%		
Charity #1		
Charity #1		
Housing: 25-38% of Net Income	Budget	Actual
Mortgage/taxes/rent		
Maintenance/repairs		
Utilities:		
Electricity		
Gas		
Water		
Waste/Recycling		
Internet		
Security		
Other		
Saving: 5-10% of Net Income	Budget	Actual
Emergency fund		
Replacement (of necessities, appliances, etc.)		
Long-term savings/Retirement		
Vacation savings		
Other		
Debt: 0-10% of Net Income	Budget	Actual
Credit Card Debt:		
VISA		
MasterCard		
Discover		
American Express		
Gas Cards		
Other Credit Cards		
School Loans		
Other loans		
Bank Loans		
Credit Union loans		
Loans from family and friends		
Other		

<b>Transportation Expenses: 12-15% of Net Income</b>	<b>Budget</b>	<b>Actual</b>
Car Payment		
License fees and inspections		
EV Charging/Gasoline		
Parking		
Maintenance (oil changes, tires, etc.)		
<b>Insurance (paid by you): 5% of Net Income</b>	<b>Budget</b>	<b>Actual</b>
Automobile Insurance		
Homeowners/Rental Insurance		
Life Insurance		
Disability Insurance		
Medical, Dental and Optical		
Other		
<b>Household/Personal Expenses: 15-25% of Net Income</b>	<b>Budget</b>	<b>Actual</b>
Groceries/Food		
Cell Phone		
Clothing and Dry Cleaning		
Personal Care (haircuts, cosmetics, etc.)		
Allowance (lunches, coffee, etc.)		
Personal Development (lessons, classes, etc.)		
Doggie Day Care/Vet		
Fitness/Sports Memberships or Fees		
<b>Entertainment: 5-10% of Net Income</b>	<b>Budget</b>	<b>Actual</b>
Meals/Delivery Services		
Concerts/Special Events		
Childcare		
Travel		
Experience Spending		
Hobbies (arts and crafts, gaming, etc.)		
<b>Professional Services: 5-15% of Net Income</b>	<b>Budget</b>	<b>Actual</b>
Mental Wellness		
Medical/Dental/Optical		
Child Care		
Legal		
Professional Dues & Memberships		
Other		
<b>Miscellaneous: 5% of Net Income</b>	<b>Budget</b>	<b>Actual</b>
Miscellaneous		
<b>Total Expenditures</b>		
Total Actual Net Monthly Income Less Total Actual Expenses		

The JS REALTOR® Team is available for budgeting consultation free of charge.

# Let's Chat.

I'm sure you have questions and thoughts about the real estate process.

I'd love to talk with you about what you've read here and help you on the path to buying your new home. My contact information is below, and I look forward to working with you.



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