



# buyer's guide



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# Why Excelsior Realty



COLLABORATIVE

FAMILY-LIKE CULTURE

SMALL(ISH) BUT MIGHTY AND FIERCE

UPFRONT

AVAILABLE

TOP NETWORKERS

MASTER NEGOTIATORS





# A Buyer's Roadmap

1

## EVALUATE

The very first step in the home buying process is evaluating your needs and desires for your future home.

2

## PRE-APPROVAL

Once you connect with a mortgage lender, they will pre-approve you for a loan based on credit, debt, and income.

3

## TOUR HOMES

We will tour as many homes as needed until we find the one! It takes an average of 50 homes.

6

## APPRAISAL

The appraisal is ordered by the lender and will determine that the home is valued at or above the purchase price.

5

## INSPECTION

During your inspection period, we will have a home inspector inspect every aspect of the home.

4

## WRITE OFFER

Once we find a home you love, we will write a competitive offer and it will \*hopefully\* be accepted.

7

## UNDERWRITING

Once the appraisal is done, the lender will finish your loan.

8

## TITLE WORK

The title company will do research on the title of the home to ensure you get clean ownership.

9

## LAST STEPS

Gather required documents for closing day and ensure the lender has everything they need. Move money into one account.

12

## CLOSING

We will attend a closing with the title company, where you will pay and then get the keys!

11

## WALKTHROUGH

We will walk through the empty house to verify that it is in the same condition as the showing.

10

## PRELIMINARY CD

You will get an estimate of your cost to close.





# Selecting an Agent

Having the right professional to help you through the purchase of your home is an invaluable asset.

You should expect someone who:



- Works & negotiates for YOU.
- Is knowledgeable about the current market and can advise you on how to best approach submitting a solid and fair offer.
- Helps you negotiate the best price and best terms.
- Navigates the legal contracts to ensure you are being taken care of, not taken advantage of.
- Helps you throughout the buying process to easily transition into your new home / next stage of life.
- Stays aware of ever-changing local and federal laws that are pertinent to buying real estate.



# Working with Me



Buying a house is a process that is as unique as you are.

It is sometimes fun and exciting, crazy or weird, or even stressful and aggravating.

Many of the things that can be stressful or aggravating can be avoided (or handled better) as long as you know what to expect and do ahead of time. I do everything possible to make sure everything goes as smoothly as can be. Which is why I am providing you with this guide. While not everything may apply to you, it is a good place to start.

In addition, my dedication, expertise, communication and follow-through are just a few reasons I have created a successful

real estate business. I protect my clients' interests as if they were my own or my family's. I truly enjoy assisting buyers achieve their real estate goals, and do my best to make sure they understand every part of the process.

But the best part? Building a strong foundation with my clients upon which an enduring relationship can exist.

Outside of work, I enjoy spending time with my family, attending car shows, gardening, being creative, and watching funny shows or movies.

I thank you for the opportunity to be your advocate and representative. I'm really looking forward to helping you find and buy your next home!



# Buyer Representation

## **REALTOR® OBLIGATIONS TO BUYERS**

“When representing a buyer, seller, landlord, tenant, or other client as an agent, REALTORS pledge themselves to protect and promote the interest of their client. This obligation to the client is primary, but it does not relieve REALTORS of their obligation to treat all parties honestly. When serving a buyer, seller, landlord, tenant or other party in a non-agency capacity, REALTORS® remain obligated to treat all parties honestly.”

*- REALTOR® CODE OF ETHICS ARTICLE 1*

## **THE NATIONAL ASSOCIATION OF REALTORS® (NAR) LAWSUIT**

- The Department of Justice (DOJ) does not like the real estate industry's practice of cooperative compensation.
- According to the DOJ, Sellers and Listing brokers should not be setting compensation for buyers' brokers.
- The State of MN was not involved in the suit due to our contracts having always stated buyers are responsible for paying our commissions unless otherwise paid by the seller.
- Due to the negative publicity, some sellers may not offer a buyer agent commission, or may offer a partial or reduced commissions.
- We are now required to have buyers under contract prior to showing a house.



# The Market

Buying in any market can be a challenge.

Here in Minnesota, our market changes multiple times during the year. We typically see a seller market in the spring, which means there are more buyers than inventory, the stress of multiple offers, and how to win them. Fall is typically a buyer's market because there is more inventory than buyers, and sellers do not want to carry the house over the holidays and through the winter.

Whether you are a first-time home buyer, move up buyer, downsize buyer, or new construction buyer, I can help guide you with the best strategies for different times of the year.

I've prepared an overview about the general buying process. I will continue to update you on new home listings and market conditions. Who you work with matters and I hope you will find me knowledgeable, honest, and passionate about helping you find your new home! After all, these classic values never go out of style.





# Preparing to Buy

**Check your Credit!** Make sure your credit is in good shape. Millions of Americans have errors on their credit reports so the first step is to find out if there are any errors on yours, and get going on fixing those errors if you find them.

**Get Preapproved!** It is super important these days to be able to submit a preapproval letter from your lender with any offer.

**Set Expectations!** What you see on TV, stays on TV. Watching the home-buyer shows should be taken just like professional wrestling...it isn't "real", that the wrestlers on TV are faking it. Actually looking for and buying a home is completely different than how it's portrayed on those shows.

**Set Your Cap!** Pay close attention to not only how much you're approved to spend, but also how much it will cost you per month. Very few people ever regret spending less than they could have, but almost everyone who spends more than they should have will end up regretting it.

**Plan Ahead!** Start packing. Investigate homeowners insurance options. Interview moving companies. Make a list of all your subscriptions, credit cards, memberships so you can send them your new address once you get one.





# About Your Credit

Credit scores play a big role in determining whether you'll qualify for a loan and what your loan terms will be.

Keep your credit in check by doing the following:

- ➔ **Do check for errors in your credit report.**  
Thanks to an act of Congress, you can download one free credit report each year at [annualcreditreport.com](https://annualcreditreport.com). If you find any errors, correct them immediately.
- ➔ **Do pay down credit card bills.**  
If possible, pay off the entire balance every month. Transferring credit card debt from one card to another could lower your score.
- ➔ **Don't charge your credit cards to the max.**  
Pay down as much as you can every month.
- ➔ **Don't order items for your new home on credit.**  
Wait until after you close on your home to charge appliances and furniture, as that will add to your debt.
- ➔ **Don't open new credit card accounts.**  
If you're applying for a mortgage, having too much available credit can lower your score.
- ➔ **Do shop for mortgage rates all at once.**  
Having too many credit applications can lower your score. However, multiple inquiries about your credit score from the same type of lender are counted as one if submitted over a short period of time.
- ➔ **Avoid finance companies.**  
Even if you pay off their loan on time, the interest is high and it may be considered a sign of poor credit management.



# The Preapproval

There is no sense in looking at houses and developing a long list of must-haves if you clearly aren't able to afford them all!

What does this mean for you? You've got some work to do. Here's a list of important items to make sure you don't miss a beat.

1. Get all of your financial information together:

- ~ 2-3 years of tax returns with W-2s
- ~ 2 months or more of all your bank statements
- ~ A copy of your Driver's License
- ~ Any/all paystubs from the last month
- ~ Any retirement or stock account statements

2. If you don't already have a lender, I have several I can recommend. Meet with several lenders/loan originators to see what programs they offer, who you best connect with, and what timeline or other requirements work for you.

3. Submit an application with the lender you choose and await the results! The lender will run your credit. Your credit score will be one determining factor into whether or not the lender will approve you for a loan. It will also help determine your loan interest rate.

4. Do NOT open any new credit accounts or make any large purchases from this point until after you close! Don't make large deposits into any accounts without checking with your loan officer, do not change bank accounts, do not co-sign a loan for anyone and do NOT change jobs, become self-employed or quit your job either!

5. Always check with me or your lender before you spend large amounts of money or commit to any debts between now and closing. Some purchases may be absolutely necessary, some may not even play into the situation, but it's better to be safe than sorry.





# Your Budget

## INCOME - WHAT COMES IN

## EXPENSES - WHAT GOES OUT

Total Take Home		Rent / Mortgage	
Pension		Child Support / Alimony	
Social		Health Insurance	
Disability		Automobile	
Interest		Auto Insurance	
Dividends		Loan(s)	
Other		Utilities	
		Credit Cards	
		Groceries	
		Personal Care/Clothing	
		Medical/Dental	
		Education	
		Child Care	
		Entertainment	

## MONTHLY SUMMARY

TOTAL INCOME

TOTAL EXPENSES

DIFFERENCE

## NOTES



# The Truths

\*There is no such thing as a "perfect house". You need to set your expectations that there will be at least one thing you won't find in a house that's on your wishlist. Keep an open mind and you will find a house that checks off almost every box AND gives you that "at home" feeling when you enter it.

\*Pricing is ALWAYS negotiable. But, the days of deep discounts are gone. There is no chance that your \$50K below list price offer will be given any consideration.

\*The "sale" price is what a buyer is willing to pay for the house and what a seller is willing to let it go for.

\*Seller-paid closing costs are not a "given". This was commonplace a year or two ago, but is not always the case now. If you don't think you can cover your own closing costs, then we will figure out other options to make your offer reasonable without the sellers covering them.

\*Multiple offers are likely with a well-priced home in any market. We'll need to come up with your "highest and best" right up front. If you aren't willing to go there, you will only end up feeling deflated and discouraged. I have several strategies I can recommend based on the situation at hand.

\*Houses in good condition, in a good location at a good price sell in any market.





# Getting Started

So, you've gotten your pre-approval. Yay! Now we know what you can afford. That being said, it does not mean you need to spend that much. Honestly, I'd love to find you a house that is less than what you can afford, as long as it fits your needs and has most of what you are wanting. Which is what?

Bedrooms

Bathrooms

Garage

Size

Area

Yard

Commute

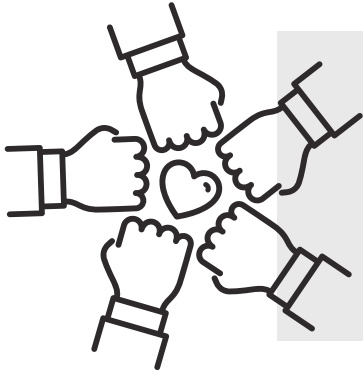
Style

Levels

Amenities

# The Basics

## Helpful Hints, Tips and Norms



### Team Effort

You look, I look, we all look for homes to check out.

If parents or others will be participating financially and need to be a part of the decision-making, they need to be at the showings as well. This way they can see the good, the bad and the ugly and you can all agree on the final choice.



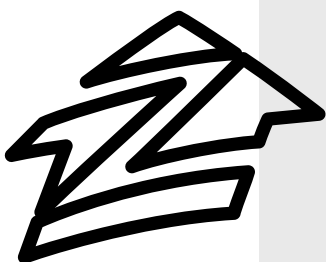
### Open Houses / New Construction

If you decide to attend an open house or check out a model home within a new construction community, please inform the agents or builder representatives that you have representation. I will provide you some extra business cards you can present to them. If they ask you to complete a registration form or open house attendance list, only give them MY information.



### For Sale By Owners

If you see a sign For Sale By Owner, do NOT contact the owner directly. Jot down all pertinent information and I will contact them on your behalf, try to get a showing set up and receive confirmation that they are willing to cover my commission.



### Other Websites/Listings

Not all websites are equal in regards to information accuracy! And if you see a house listed on another site, agents are not always forthcoming in removing the listing when under contract or sold because they want you to call them. Contact ME and I will look into the listing on your behalf.





# The Basics, cont.

## Helpful Hints, Tips and Norms



### The Northstar MLS

This is where all listings appear for Minnesota. Once a listing agent posts a property, if it fits your search parameters, it will appear here first. It will eventually be sent to Zillow, Realtor.com and other sites like them. You'll definitely want to watch for MLS notifications in case the "right" house comes on the market so we can see it before the rest of the internet.



### One Home Portal/My App

You'll create an account via the One Home portal in order to receive those notifications. In One Home, you can message me, indicate properties that you are interested in seeing, mark ones that are definitely not ones you want to see, etc. This also ties in with my app, to which I'll send you a link, that you can use on the go.



### Listing Agents/Homeowners

You should not call listing agents or contact homeowners directly. You may think there's no harm in doing so, but you could end up in a situation where you've said or shared too much and it could cost you the house, or lead you to paying more than you should. Whatever you say and anything the listing agent or seller knows about you can potentially negatively impact you. Let ME do the talking.

# Communication

I will:

- make sure to be available, on time and as flexible as possible
- be in contact as much as you'd like me to be, using the method you prefer (phone / email / text)
- make sure to reach out if I haven't heard from you in a while
- not push you into making a quick decision
- promise that we will only go through the buying process at a pace you are comfortable with

If you want to reach out to me between any of those moments, please do so.

I'll respond as quickly as possible, but please know that sometimes I am with clients, my family, or in a class or meeting.

Generally speaking, I am available every day between 9 am and 7 pm. Anytime before or after that, just leave me a message and I'll make sure to get back to you first thing.





A man and a woman are in a kitchen, looking at a tablet or screen. The man is in the foreground, wearing a light blue shirt, and the woman is behind him, wearing a patterned top. They are both smiling and looking at the screen. The background shows a kitchen with white cabinets and a stove.

# 🏠 Showings

## Do:

- Wear shoes that are easy to take off and put back on. You'll be doing this at every house we visit. You don't want to be taking the time to untie and retie your shoes everywhere.
- Open closet doors, kitchen and bathroom cabinets and drawers, appliance doors. Do they open easily, in a fashion that is logical for your lifestyle? If something is open, does it interfere with the flow of how you do things?

## Do Not:

- Open any doors or drawers to personal belongings, such as jewelry boxes, safes, dressers, etc.
- Sit on furniture.
- Use the bathroom unless you absolutely have to. Verify the water is not turned off before doing so.



# Submitting Offers

## What We Need to Include

### **Earnest Money**

- Usually about 1% of Purchase Price
- The more, the better to be competitive

### **Purchase Price**

### **Financing**

- Lender
- Loan type
- Down payment (3.5%, 5%, 10% or 20%+)
- Closing Costs (typically about 3% of Purchase Price)

### **Closing Date**

- 45 days, 60 days
- Flexible?
- Seller Desired Date?

### **Inspection Items, if Any Found**

- Seller Fix? You Fix?
- Too much to fix?
- Only minor fixes?

### **Other Terms**

- Home Warranty?
- Contingent on current home selling?
- Contingent on current home closing?
- Contingent on seller finding home of choice?

### **Personal Property**

- Typical: Appliances as seen on showing, TV mounts, window treatments, swing sets
- Not typical: pool table, lawn equipment, furniture, TVs





# Negotiations

Highest, Cleanest and Best Offers Win

Here are examples of some things we can change:

- Earnest Money: You'll get it back at closing as credit towards your closing costs or it counts towards your down payment
- Personal Property: Eliminate something big that you liked but isn't a dealbreaker for you
- Price: Go as high you can possibly afford and still be comfortable
- Down Payment: Try to put down 20% or more; if less, up your price
- Closing Date: Make it up to the seller, offer free rent back period
- Remove Contingencies: Financial, Inspection, Sale of Home...
- Seller Paid Buyer Closing Costs: Don't ask for them
- Inspection: If it's a condo or TH's, or you are a repeat homebuyer, buy a home warranty in lieu of inspection, or make inspection non-contingent, or make it Pass/Fail
- Pending Assessments: Offer to pay them
- Possession: Free rent back – offer to allow sellers to stay in home after closing if they need the proceeds to go buy a home non-contingent
- Well Inspection: Offer to pay for the water test, and filtration system if needed.
- Septic Inspection: If seller recently had it certified, forego the inspection
- Home Warranty: Offer to pay for it for the seller (\$65) and pay for your coverage (\$850)



# Under Contract

## The Inspection

There are several types of inspections you can have performed:

- Home Inspection
- Fireplace/Chimney Inspection
- Stucco Inspection
- Water/Sewer Inspection
- Radon Testing

You can pick an inspector(s) or I have a few inspectors I've worked with before and can highly recommend.

The home inspection typically takes 4 hours depending on the size of the home and will cost somewhere between \$350-\$550. For the additional inspections there will be additional charges. Most companies will "bundle" inspections to give you more value for your money.

Depending on our offer, it should be completed within 5-10 calendar days; this includes all inspections, negotiations, and release of the contingency.

We will be asked to arrive for the last hour of the inspection where the inspector will walk you through the house pointing out what was seen or done.

The official report typically comes in within 24 hours.

This is also a good time to bring family members through, take pictures, measure or bring contractors in for quotes.





# Under Contract

## The Appraisal

Your mortgage lender wants and needs to make sure that the amount they are lending is justified and protected by having an appraisal done.

### Appraisals:

- are usually scheduled, completed and turned into your lender within 10 days of the inspection
- typically cost around \$450. Your lender may ask for a check or credit card up front, or it may just be included in your closing costs.
- rarely end up much more than purchase price, and sometimes come in low

Appraisers are very conservative on their pricing. In order to help ensure it appraises at value, we will send the appraiser a copy of the PA, any property information we may have obtained regarding the property and provide area comparables in case the appraiser is not from the area where the property is located.

Low appraisals occur because sometimes appraisers simply can't find suitable "comparables" to evaluate the property. Other times, the appraiser just doesn't do a very good job. Either way, if an appraisal comes back low, we'll need to address it.

### "Addressing it" may amount to:

- You agreeing to make up the difference between the appraised amount and the sale price ("appraisal gap" coverage).
- Getting the seller to agree to lower the sale price to the appraised amount.
- The appraisal being contested. We will supply additional comparables for the appraiser and lender to consider.
- Ordering a new appraisal.

Regardless, we will figure out a solution that is amenable to every party in the agreement. Once the appraisal is completed and passed, we're almost ready for closing! Start packing!



# Getting Ready to Close

As soon as you are under contract, you should:

- Line up a mover. (They often book up far in advance. Plus, it takes time to find one you trust and to get the best rates possible.)
- If you'll be moving yourself and are hoping for friends and family to help, make sure to line them up!
- Call the utility companies and let them know you're buying the house and want to start service as of the closing date.
- Begin packing as early on as possible. Waiting until the last days will add a lot of stress, and you might not get done in time.
- Make a list of all your subscriptions, credit cards, memberships, etc. to make changing your address a bit easier.

The day before closing, maybe even the day of closing, we will complete a final walkthrough of the house. We want to make sure everything is in the condition it was when you agreed to purchase the house. We will check:

- No damage has occurred since the date you agreed to purchase it.
- All of the fixtures, appliances, mechanical items, and utilities are in working order.
- Everything the seller agreed to leave behind contractually is in fact left behind.
- The house is relatively clean. Plan to have help cleaning the house before you move in, as not every seller will leave the house in the state of clean that you may expect.
- The seller is entirely moved out and has removed everything they were expected to remove.





# Closing Day!

There will be numerous documents to review and sign; the closer/title company agent will review and discuss all of them at length.

- You will receive your preliminary closing disclosure 3 days prior to closing.
- Your lender will pull your credit report and verify your employment 24-48 hrs prior to closing.
- Closing typically takes about an hour, but you may want to take either a half or whole day off to be safe.
- We will coordinate two closings if you are also selling a house prior to closing on your new home.
- The title company will settle/prorate taxes for the month of closing. Your next payment is due the following month and your closer will provide you with payment coupons.

**There are two very important things to remember to bring to closing:**

- **A cashiers check, a certified check, or cash in the amount the closing agent calculated to be due from you at closing.**
- **Your proper identification, usually a photo I.D. (driver's license, passport), social security card, and/or birth certificate.**

Once it's complete, copies of the final documents will be provided to you. You will want to keep these in a safe place; the settlement statement in particular will be something you'll want to provide your tax preparer at tax time.

# Congratulations!





# My Commitment to You

Everyone needs their sanctuary. A place to call their own.

They should also feel comfortable with, and confident in, their real estate professional. I promise to be your best advocate. I am more inclined to say I am in the "people" business instead of "real estate" because while the purchase or sale of a house is the end goal, helping buyers and sellers meet that goal is the most meaningful part of my profession. I love connecting with people, whether it comes from a client referral, visiting with a past/present client (now friend), or catching up with folks I've known all my life.

For me it's all about the relationships that develop and result from working together that bring me the most joy.

I appreciate the opportunity to put my many talents and experience to work for you. I aim to set you up for success and help make what can sometimes be a very stressful experience, more enjoyable.

Integrity. Commitment. Intuition. Transparency. Availability. Empathy.





Hiring a REALTOR® means you are working with a professional member of the National Association of REALTORS® who subscribes to its strict code of ethics. This is the REALTOR® difference for home buyers:

**Ethical treatment.** Every REALTOR® must adhere to a strict code of ethics, which is based on professionalism and protection of the public. As a REALTOR®'s client, you can expect honest and ethical treatment in all transaction-related matters. The first obligation is to you, the client.

**An expert guide.** Buying a home usually requires dozens of forms, reports, disclosures, and other technical documents. A knowledgeable expert will help you prepare the best deal, and avoid delays or costly mistakes. Also, there's a lot of jargon involved, so you want to work with a professional who can speak the language.

**Objective information and opinions.** REALTORS® can provide local information on utilities, zoning, schools, and more. They also have objective information about each property. REALTORS® can use that data to help you determine if the property has what you need. By understanding both your needs and search area, they can also point out neighborhoods you don't know much about but that might suit your needs better than you'd thought.

**Expanded search power.** Sometimes properties are available but not actively advertised. A REALTOR® can help you find opportunities not listed on home search sites and can help you avoid out-of-date listings that might be showing up as available online but are no longer on the market.

**Negotiation knowledge.** There are many factors up for discussion in a deal. A REALTOR® will look at every angle from your perspective, including crafting a purchase agreement that allows enough time for you to complete inspections and investigations of the property before you are bound to complete the purchase.

**Up-to-date experience.** Most people buy only a few homes in their lifetime, usually with quite a few years in between each purchase. Even if you've done it before, laws and regulations change. REALTORS® handle hundreds of transactions over the course of their career.

**Your rock during emotional moments.** A home is so much more than four walls and a roof. And for most people, property represents the biggest purchase they'll ever make. Having a concerned, but objective, third party helps you stay focused on the issues most important to you.

As an added assurance, I have attained the following certifications to better serve my clients:

