

Buying a home is the most significant investment you'll ever make. Should you take the risk?



Since buying a home is such a monumental step, education and preparation are crucial. It can be one of the most extraordinary experiences ever. However, it can also be the most daunting. Whether you're a first-time home buyer or a housing market pro, preparation is key to a smooth buying process.

What are the necessary steps for the home-buying process?

More than ever, today's real estate market offers more opportunities but also risks. When buying real estate, it is crucial to ensure you have the resources to make the best decisions and the time to plan ahead.

#1. Figure out your finances

Get Pre-Approved

If you're serious about buying a home, getting pre-approved for a loan is crucial before you start looking.

It would be best if you met with a mortgage lender and allowed them to research your credit history and current financial situation.

Once you qualify, your lender will provide you with the amount you can borrow. Start this process asap and get a mortgage lender, or contact your bank or credit union.



Why being pre-approved will benefit you

Knowing how much you are pre-approved for will make your home search more straightforward.

When it comes time to make an offer on your new home, the seller will take it more seriously if they know you are already qualified.

If you are a first-time home buyer, you will also learn whether or not you qualify for any special programs or first-time home-buyer discounts.



#2. Hire a Real Estate Agent



Why you need one

You may feel ready to start this process on your own. However, a real estate agent will help you find the perfect home in your price range.

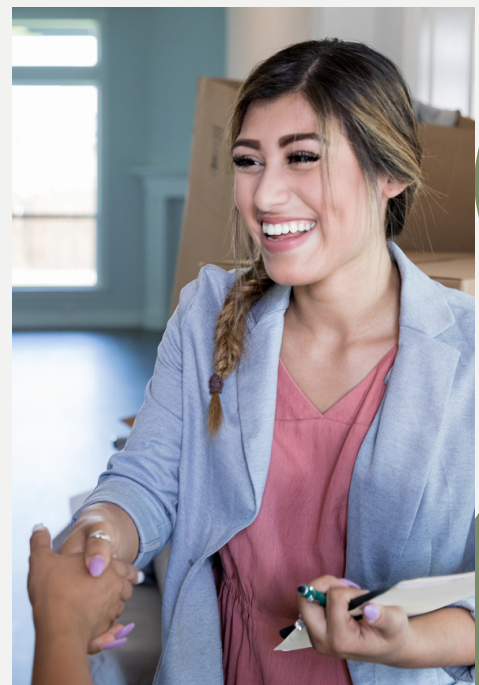
And once you've chosen a house to buy, they will assist you in the purchase process, including making an offer and completing paperwork.

There are many things to consider when buying a home. Getting in touch with an agent when you decide to buy is crucial because of the current market's significant opportunities and potential risks.

How to choose

When you are ready to choose a real estate agent, it is vital to consider their knowledge of the area, track record, and, most importantly, experience. Do your research and read reviews from previous buyers.

You must ensure you have the help of a trustworthy and knowledgeable real estate agent who will help you from start to finish.



#3. Find the perfect home

Be prepared for the journey

Here are a couple of key facts about searching for homes that may help with your approach:

- Buyers finance, on average, 94% of their home.
- The typical buyer searches for 4 weeks to 6 months for a new home.
- The average buyer looks at 6 - 12 homes before making a purchase.
- 86% of buyers recently purchased their home through a real estate agent or broker



Where to look

Searching for homes on a real estate agent's website is helpful because you view all of the active listings in the MLS.

You can also research the area you are looking in, look at school districts, and read blog posts that contain helpful information.

Looking at homes online is excellent, but viewing them in person is essential. Although the property information and photos resemble a property, homes can look different in terms of the arrangement, style, craftsmanship, landscape, and other details.

It would help if you visited homes with your agent, who has experience noticing things you may miss.

#4. Prepare for the buying process

The offer and negotiation

After a long search process, you have finally found the one. It's time to make an offer, which is where contracts come into play.

Contracts allow you to identify a sale price and include any "terms of purchase" clauses, such as closing date, closing costs, amount of deposit, etc.



You and your agent must thoroughly read through any clauses to ensure they are accurate and clearly define your proposed offer. Your real estate agent will be there to answer any questions about the offer process.

Once you complete the written offer, your agent will present it to the listing agent or seller. At this point, the seller will accept, reject, or counter.

Until you reach an agreement, multiple counter offers with strict response time frames could exist.

Once you and the seller agree, you must go to your lender to finalize and close the deal.

Topics discussed include the down payment, interest rate, monthly mortgage payment schedule, and all other details.

#5. Buy your new home!



Closing of Escrow

You have finally made it! As long as you have thoroughly taken care of everything in connection with purchasing your new home, this day should go down as one of your happiest days.

Steps to the closing of escrow:

The Title Search is all the history and legal documents concerning ownership of your new home. This confirms that there are no claims/liens against the home's title. Title insurance is also necessary to protect yourself and your home if anyone makes an error or mistake in the review process.

The walkthrough gives you the opportunity to walk through your new home to ensure it is still in the same condition as when you made the initial offer.

On Closing Day, you will generally meet with your agent, a lawyer, or an escrow officer to sign all the paperwork to finalize your purchase. You will also receive the property title and copies of all the signed paperwork for your transaction.

What's next?



Stay Prepared

Most buyers can expect to own three homes during their lifetime, so the buying process isn't over once you have closed.

Regular upkeep and maintenance will raise a home's resale value over time and help keep unexpected repair bills at bay.

Start an emergency fund for your new home to be prepared when these situations inevitably arise.
