



BUYER'S *Guide*

Your complete step-by-step
guide to purchasing a home.



Powered by KSP



JULIE HARRISON
BUYER SPECIALIST

Julie enjoys all aspects of the real estate business, especially establishing relationships with new clients. As a native Texan, she can put her insider knowledge to work to find the best home for your needs. She uses proven techniques and resources to help find the perfect home of your dreams earning her an abundance of five star reviews from clients who note that “she is there every step of the way” and “at the end, you feel like family.”

LAUREN NEELY
BUYER SPECIALIST

Lauren is one who truly understands the importance of connecting with people. A native Texan from Victoria, Lauren earned a BA in Psychology from Texas Lutheran University and a Masters in Counseling from University of Houston. During her internship at UH’s career services she realized how her skills and interests might lay the groundwork for a career in realty. Lauren loves working with people and is committed to helping them find the property that is best for them.



ASHLYN JOHNSON
MARKETING AND CLIENT CARE SPECIALIST

Ashlyn brings new home and resale administrative experience to Selling Houston Team along with a commitment to work hard, listen, and follow through. With a natural kick for communication, clear expectations, and customer service, she makes sure all the details are attended to according to your customized contract plan and that all the key players in your real estate pep squad are in sync every step of the way!





KELLY SIMON

PARTNER AND LISTING SPECIALIST

Broker and founder of KSP, Kelly represents buyers and sellers throughout the Houston area, reaching from Magnolia to Galveston, Katy to Kingwood, and all the suburbs in-between. Kelly was honored by HAR as one of 20 Under 40 Rising Stars in Real Estate, is a multiyear Five Star Real Estate Award Winning Professional and has been featured in Forbes, TexasMonthly, and Houston's Real Producers Magazine.

JENNIFER VICKERS

PARTNER AND LISTING SPECIALIST

Jennifer is a relationship-centric Realtor® specializing in residential listings. Co-leader of the Selling Houston Team and recipient of the HAR Realtor of the Year and 20 Under 40 Rising Stars in Real Estate Award. She has also been featured in Texas Monthly as a multiyear Five Star Real Estate Award Winning Professional. Her detail oriented approach has helped Jennifer become a Top Producer since entering the real estate business in 2014.



MARCIA THOMASON

PROJECT AND CLIENT MANAGER

Marcia studied abroad in Cairo, Egypt and has lived and worked all over the world. Experienced in Project Management, she provides the highest level of support to the Selling Houston Team, its clients, and customers. With a keen eye for detail, Marcia oversees all aspects of preparing clients' properties for market including listing materials, creating MLS listings, coordinating appointments with vendors, and ensuring that homes being listed are staged and ready for photos.



STEP 1

Finances

- ✓ Gather your documents
- ✓ Obtain pre-approval or proof of funds
- ✓ Locate down payment funds
- ✓ Prepare for any additional costs

STEP 2

Home Search

- ✓ Preview potential properties online
- ✓ Attend Open Houses to see newly listed homes and understand the broader market
- ✓ Enter into a Representation Agreement with Selling Houston Team
- ✓ Schedule showings and view the properties you are most interested in

STEP 3

Under Contract

- ✓ Write an offer to purchase on your favorite property
- ✓ Negotiate the terms of the offer and accept the contract
- ✓ Deposit escrow, complete loan application, and homeowners insurance quotes

STEP 4

Due Diligence

- ✓ Conduct inspections
- ✓ Resolve/negotiate any issues from inspection
- ✓ Your lender will order the appraisal
- ✓ Obtain homeowners insurance

STEP 5

Closing Time

- ✓ Title company will conduct title search and order survey
- ✓ Receive closing statement/clear to close
- ✓ Make arrangements for certified funds for cash to close obligation
- ✓ Conduct a final walk-through of property and close
- ✓ Closing day: Get your keys, it's all yours!

The Mortgage Process

The very first step of the home buying process is to get a pre-approval letter from a lender stating the amount for which you are qualified. It's important to ask your potential lenders some questions to make sure they are a good fit for you.

Don't understand something your lender says? Stop and ask for clarification. This is your home buying journey, and you deserve to understand the process every step of the way.

A pre-approval is often valid for up to 90 days, and it's helpful to develop a relationship with a lender early in the process so you can quickly get cost estimates when you're ready to make your offer.



Questions to Ask Lenders

1. What type of loan do you recommend for me? Why? There's no one type of mortgage loan that's superior to another—but whichever you choose, you need to know why it's best and how it works.
2. Will my down payment vary based on the loan I choose? If you're tight on cash or don't want to be cash poor, let your lender know. Loans vary in their down payment requirements.
3. What is the interest rate and the annual percentage rate (APR)? Everyone talks about the interest rate, but the APR is also important. It combines the interest rate with the fees a lender charges to originate your loan.
4. Can I lock-in an interest rate? If so, for how long? If you think rates will be moving up, ask when you can lock it in for a set period of time.
5. What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing? Remember, closing costs usually run 3-6% of your loan value so you need to know how they'll be covered.

LENDER QUESTIONNAIRE

Use this questionnaire as you talk with and interview different lenders

Name: _____

Company: _____

Phone Number: _____

Email: _____

What type of loan do you recommend for me and why?

Will my down payment vary based on the loan I choose?

What is the interest rate and the annual percentage rate (APR)?

Can I lock-in an interest rate? If so, for how long?

What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing?

Notes:

Searching Strategically

Before we hop into the home search, we like to advise our clients to create a "Needs" list and a "Wants" list. This will help us to really focus on the things that are most important in your future home.

Needs are the non-negotiable features: the features you simply must have in your next home. Wants are the ones you'd like to have, but you can add or change down the road.

Don't feel like your first draft has to be your final draft—and above all else, remember you can't change the lot, the location, or the price you paid so spend a good amount of time thinking through those three before proceeding.

Needs might be things like:

- Enough square footage for you and your family
- Sufficient bedrooms and bathrooms
- First floor primary bedroom
- Close proximity to work and school
- Attached two-car garage
- Grassy yard for children's or pet's play area

Wants will look more like:

- Specific paint or exterior color
- Pool, jacuzzi, or other exterior water feature
- Fenced-in backyard
- Specific carpet, hardwood floors, or tile
- Kitchen amenities like countertops and appliances
- Walk-in shower or double bathroom vanity
- Quiet, cul-de-sac street

Wants vs. Needs

Write down your *needs* and your *wants* in your future home.

NEEDS

WANTS

HOME BUYER QUESTIONNAIRE

This questionnaire is to help you think about what you're looking for in your home. This will help both of us to be on the same page in terms of what you need and want.

What area(s) are you looking to buy?

What do you like about this/those area(s)?

How many bedrooms, baths, and preferred square footage? How many stories? What kind of yard/patio?

Do you have children? Pets?

What's your favorite style of home?

What are the top 5 most important things in your future home?

Anything else we should keep in mind during our search?

Searching Strategically Online

Now that you've got your wants vs. needs list in hand, the fun really begins! It's time to talk about narrowing down those listings and deciding which ones to see in person. First up, let's talk about best practices for searching online. No doubt you've searched online before, but how can you get the results you want? Try some of these tips.



USE THE SEARCH FILTERS... BUT NOT TOO MUCH.

You don't want to restrict your search so tightly that you only have a handful of homes to view. Keeping your wants vs. needs list in mind, expand your geographic search, and add \$25,000 to your max price in a buyer's market since homes may sell under asking.

IF YOU FIND SOMETHING THAT CATCHES YOUR EYE, CHECK OUT THE GOOGLE STREET VIEW.

Online pictures can be deceiving so a virtual 'walk down the street' will give you a better sense of the house and surrounding area.

DON'T SHY AWAY FROM A HOME BECAUSE IT IS PENDING.

Pending contracts do fall through, so keep it on your list especially if it checks all your boxes. It's worth the bookmark.

After you've found a few homes you like, jot down the MLS numbers and addresses or bookmark them in HAR. Shoot the list to your Buyer's Specialist and we will call the listing agents to gather pertinent info and gauge each seller's motivation. At this point, it's time to look at the calendar and find a chunk of time to tour the homes on your shortlist. Carve out more time than you think you'll need since you don't want to be rushed if you find a home that may be "the one."

Making the Most of Your Showings

You're SO READY to get inside those homes on your shortlist and see for yourself if one of them is soon-to-be your new address. We know you're excited, but you gotta go into those showings calm, cool, and collected. Here's a quick list of how to do just that:



Before a showing, read over your wants vs. needs list and revisit your budget.

Having this fresh on your mind will help you stay objective and focused. Take pictures and videos to jog your memory later and to help you process with friends and family.

Remember, you can't change the lot or the location so make sure you love both.

You also don't want to choose the priciest home on the block. We will help you assess whether or not that's the case.

Don't let yourself get distracted by decor or staging.

These things will be gone by the time you move in, so try to stay focused on the things that cannot be changed as easily.

Take your time.

If a home makes a good first impression, let us know you're interested and that you'd like to spend a bit more time looking around. This is one of the largest purchases you'll ever make so it's worth it to learn as much as you can while you're there.

Tips for Making an Offer Stand Out

So you think you've found "the one" and you're ready to put in an offer—one that will be simply irresistible to sellers. Let's talk about making an offer that stands out.



- Include a pre-approval letter that shows that you're serious, qualified, and ready to purchase.
- Use a friendly tone. Let sellers know you want their home—and that you'll be easy to work with all the way to closing.
- Put your best foot—and price—forward. You may only get one shot, so make it count. Use comps and trends as a guide, but go in with a strong number you know a seller would find favorable—not that you should overpay.
- If you can pay "all cash," say so. When you don't need financing, your offer is less risky for anxious sellers.
- Propose to close quickly and only include contingencies if you must.
- If you really want to make an impression, include a short hand-written note with your offer. Sometimes it's the smallest gestures that have the most significant impact.

And of course, when you're ready, our team will guide you through putting together an offer that gives you every advantage in landing the home of your dreams.

We're Under Contract... Now What?

You made an offer, and it has been accepted—go ahead, cue the confetti! And while it will be a few more weeks until you can move in, you're well on your way to closing the deal on your new home sweet home.

Here's a quick rundown on what happens after you make an offer and your new home is "under contract."

- First, we will carefully review important dates and information you will need to know to ensure a successful closing. See the checklist on the following page to get all of your need-to-know important dates.
- You'll need to meet with a mortgage lender to firm up financing details and lock in your interest rate.
- Once the home inspection report comes in (and you should definitely request a home inspection), we may need to negotiate repairs or concessions with your seller.
- As we get closer to the closing date, our team will facilitate appointments for final walk through and closing.



UNDER CONTRACT CHECKLIST

Use this checklist to keep track of important due dates and ensure a smooth closing.

Escrow deposit. You must send escrow deposit of _____ and option fee of _____ via check or wire to _____.
IMPORTANT: Be very careful when wiring any funds. Never trust wiring instructions sent via email.

Begin loan application. Your loan application needs to be started within 2 days from the executed contract date. During your loan processing, it is VERY IMPORTANT not to make any job changes, major purchases, or open new credit cards or lines of credit, as any of these activities could alter your qualifications.

Schedule inspections. The last date to renegotiate or cancel the contract due to anything that comes up in inspections is _____ (option period expiration) so Iwe recommend scheduling any inspections immediately.

Obtain home insurance. Start contacting insurance companies for quotes immediately. We will need to make sure you can get a policy that fits your budget before the end of the option period.

EXECUTED CONTRACT

ESCROW DEPOSIT DUE

OPTION PERIOD EXPIRES

FINANCING CONTINGENCY

EST. CLOSING DATE

ADDRESS:

TITLE COMPANY:

PURCHASE PRICE:

DOWN PAYMENT:



All About Home Inspections and Insurance

What is a home inspection?

The inspection will uncover issues in the home that would have otherwise been unknown. You will receive a written report of the inspection. We recommend that you are present for the end of the inspection, so you may ask the inspector questions.

What does "option period" mean?

During the option period, the buyer has the right to hire professionals to inspect the condition of the home. If the results on the inspection report come back with any issues that need to be addressed, the buyer may ask the seller to cover the costs of these repairs, reduce the sales price, or fix the repairs before closing. If an agreement can not be made, the buyer has the right to back out of the contract and get the escrow deposit back with no consequences.

TIP:

Schedule all inspections immediately, so if we need to negotiate any repairs we can do so before the option period ends.

The home seems fine, do I really need a home inspection?

You may think the home is in perfect shape, but some of the costliest problems are difficult to spot: leaks, termite damage, foundation issues, poor ventilation, faulty wiring, and stucco damage. A home inspection gives you the chance (before you sign on the dotted line) to have a professional inspector see if there are any problems that need to be addressed, replaced, or fixed.

If you are getting a loan, the lender will require you to obtain home insurance. Some home insurance companies will require that you have certain inspections done. This is another reason that you may need to have an inspection done.

Inspection Cheat Sheet

Type of Inspection	Description	Average Cost
Standard: Structural & Mechanical	The standard home inspector's report will cover the condition of the home's heating system; central air conditioning system; interior plumbing and electrical systems; the roof, attic and visible insulations; walls, ceilings, floors, windows and doors; the foundation, and other structural components.	\$450 - \$650 TREC \$750 - \$950 PE
WDI	The WDI Inspection is the Wood-Destroying Insect Inspection. In the Houston area there are three active species of termites in addition to other WDI. Ask your lender if your loan requires any certain inspections such as a WDI inspection.	\$100 - \$185
Stucco	Stucco facades require special invasive inspections to assess the current condition and identify deferred maintenance. Stucco repairs can be costly, regularly bringing repair bills upwards of \$35,000+.	\$700 - \$950
Sanitary Drain Lines	Sanitary drain line inspections, including hydrostatic inspections, require special contractual agreement and are recommended depending upon property specifics.	\$400 - \$550

OUR TRUSTED INSPECTION COMPANIES

Sentinel Inspection Group

John Tatum

(713) 409-3661

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Hite Tech Inspections

David Hite

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Pillar To Post Inspections

The Goodwin Team

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Home Insurance Cheat Sheet

Type of Insurance	Description	Average Cost
Hazard and Homeowners	The standard homeowners insurance covers financial protection against loss due to disasters, theft and accidents. Hazard insurance protects against damage caused by specific perils such as fires, severe storms, hail/sleet, or other natural events. Most residential buyers secure policies that have some combination of coverage for the property itself, personal belongings, legal liability to protect against accidents incurred by others at your house, or to pay for temporary housing while your house gets repaired.	\$1,200 - \$2,800
Flood	Protects against damage caused by rising water	\$585 - \$4,200



OUR TRUSTED INSURANCE COMPANIES

Goosehead Insurance

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 (281) 972-6600
kordell.nolan@goosehead.com
quotes.goosehead.com

Farmers Insurance

James Acosta
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agents.farmers.com

Tricoast Insurance Services

Gladys Pace
 (713) 419-8182
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tricoast.net

Pre-Closing

We are so close to the closing table! Here's what's going to happen leading up to you receiving the keys:

- ✓ **Under Contract**
- ✓ **Inspections**
- ✓ **Obtain Insurance**

■ **Appraisal**

An appraisal is an estimate of the value of the property by a licensed professional appraiser. Once any problems during the inspection are resolved, the appraisal will be ordered by the lender and paid for by you. The goal of the appraisal is to verify the value of the property for the lender and to protect you from overpaying. The contract is contingent upon whether the appraisal comes in at or above the purchase price. If the appraisal comes back short, we will be back to the negotiating table.

■ **Obtain Mortgage**

You have ___ days (probably 14-21) to obtain financing with the specific terms specified in the Third Party Financing Addendum. Make sure your rate is locked and preliminary underwriting contingencies have been satisfied before your right to terminate the contract due to personal loan approval expires.

It is very important not to make any job changes, major purchases, or open new credit cards or lines of credit, as any of these activities could alter your qualifications for a loan.

■ **Survey**

Unless the seller already has a recent and acceptable survey of the property, a new survey will be required for the transaction. This will be ordered by the title company or us. The survey is a sketch showing a map of the property lines/boundaries, among other things. The survey will show if there are any encroachments on the property. Payment for the survey will be at closing according to the terms negotiated in the contract.

■ **Title**

The title company will conduct a title search to ensure the property is legitimate and find if there are any outstanding mortgage liens, judgments, restrictions, easements, leases, unpaid taxes, or any other restrictions that would impact your ownership associated with the property. Once the title is found to be valid, the title company will issue a title insurance policy which protects lenders or owners against claims or legal fees that may arise over ownership of the property. This will also be a part of your closing costs.

■ **Clear-to-Close!**

The magic words! It means the mortgage underwriter has officially approved all documentation required to fund the loan. All that remains is the actual closing process.

Closing Time!

You've gotten the "clear-to-close" and we've scheduled our closing date and time - let's answer some questions you may have about closing day:

Q: When do we do the final walk-through?

A: The final walk-through is exactly what it sounds like - it allows the buyers to do one last walk through before closing to confirm that the seller made the repairs that were agreed upon and to make sure no issues have come up while under contract. We will typically schedule to do this right before closing.

Q: Who will be at closing?

A: Situations vary, but you can expect some combination of these folks: Buyer (that's you!), real estate agents, escrow officer/title company representative, mortgage lender, and seller.

Q: What will I do?

A: Stretch those fingers and get ready to sign, sign, sign. At closing, the seller will sign ownership of the property over to you, and you'll sign to receive possession and accept the terms of your mortgage loan, if applicable.

Q: What should I bring?

A: Bring a photo ID and a cashier's check to pay any closing costs. Your agent will tell you any other documents specific to your situation. The closing process is relatively simple but be prepared for A LOT of paperwork. (And always, always, always ask if you have a question along the way.) The good news is once you've signed the last page, it's time to get a hold of those keys and celebrate!



Vocab to Know

Active

The property is actively for sale and on the market. The sellers may have received offers but have not accepted any yet.

Adjustable-rate mortgage (ARM)

After an introductory period that could be 3, 5, 7 or 10 years, the interest rate on an adjustable-rate mortgage will be adjusted by the lender in accordance with current interest rates.

Back on market

This property was under contract with another buyer and their contract fell through, so it is Active again.

CMA

Comparative market analysis or competitive market analysis. A CMA compares the sales prices of similar properties in the area to help determine the value of a property.

Closing costs

The fees that the buyer and seller will owe associated with the home-buying process, such as the real estate brokerage commission and title insurance. Most are paid by the buyer, but the seller pays for some.

Contingency

A provision of the contract that keeps the agreement from being fully legally binding until a certain condition is met. For example, the purchase of a home can be contingent upon the buyer selling their home first.

Down payment

The sum in cash that you will to pay at the time of purchase. A conventional loan down payment is usually 5% of the sales price, but other types of financing require as little as 3.5%. A mortgage lender can tell you what types of loans for which you qualify.

Expired

A listing has expired and is no longer active, usually because it didn't sell in the amount of time agreed upon by the listing agent and the owner of the home. If you see an Expired listing, the owner may still be interested in selling.

Fixed-rate mortgage

This mortgage's interest rate will never change, even if the term of the loan is 30 years.

FSBO

For Sale by Owner. Often pronounced "fisbo" The owner of the home has it listed without agent representation. A Buyer's agent can usually still show the home, as many FSBOs will agree to work with agents representing a buyer.

Interest

A percentage of the principal that you borrowed from the bank.

Listing

The word "listing" is typically used to refer to the for-sale home itself, although it technically means the agreement between the broker and the owner of the home to market and sell the property.

Vocab to Know

MLS

The Multiple Listing Service. The MLS is the organization real estate agents use to search for and list properties. They collect, compile, and distribute information about homes listed for sale. Membership isn't open to the general public, although selected MLS data may be sold to real estate listing websites (How Zillow gets listings on their website).

Pending/Option Pending

The property owner has accepted an offer and are under contract with a buyer. Their agreement may be subject to a variety of contingencies: inspections, appraisal, financing, and more. The home is not sold just yet.

Principal

After you make a down payment, the rest of the money you owe on your home is called the principal. This is what you will be paying monthly in addition to interest.

Title insurance

An insurance policy that protects a mortgage lender's or owner's interest in real property from assorted types of fraudulent claims of ownership.

Withdrawn

The listing was withdrawn from the market. This could be for various reasons: The owners may have decided they do not want to sell anymore, or maybe they didn't like the offers they received. If you love the listing, we can still reach out and try.

Let's Connect



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We're always available to help! Shoot over a text or give us a call for the quickest response. Helping our clients feel comfortable & informed while purchasing a home is what we *love* to do.