

8 STEP GUIDE TO BUYING A HOME

(WITHOUT FEELING TOTALLY OVERWHELMED)



Buying a home can be overwhelming.

For many of us, it can be **one of the biggest financial decisions we'll ever make.**

This makes the process potentially stressful, on top of the **pressure to find the home of your dreams.**

It can be challenging to balance what you like, need, and want with what you can afford. It means taking into account different tastes, style, needs of a partner or children, and evaluating all the tradeoffs involved with choosing the best home for everyone.

To help you wrap your head around the home buying process, we've simplified it into 8 steps and provided a printable checklist that will help you feel empowered and focused.

After all, buying a home is also incredibly exciting! We hope that by adding some clarity and direction to the home buying process, we can make it less daunting and more fun.

Here's an overview of the steps:

STEP 1: Define Your Dream Home

STEP 2: Come Up With a Preliminary Budget

STEP 3: Speak to Your Mortgage Broker

STEP 4: Refine Your Search

STEP 5: Contact Agent to Schedule Tours

STEP 6: Make an Offer

STEP 7: Get Ready for Closing

STEP 8: Close the Sale

Now let's get into it!



STEP 1 DEFINE YOUR DREAM HOME

What does your dream home look like?

Before you get into the nitty-gritty of calculating your budget and applying for mortgage loans, start with the preliminary step of exploring your possibilities and considering your priorities.

On the next page you'll find a few questions to ask yourself and your partner (if you are buying a home as a couple).

Print out this dream home question list and pick a time to have "The Conversation", whether it's with someone else or yourself!

Questions to Help Define Your Dream Home:

What does the concept of “home” mean to you? Is it a place for resting and relaxing? A place to hang out with friends and family? An escape from the demands of work? A place to enjoy your hobbies?

What do you like to do in your spare time? Do you like to watch TV or read from a quiet nook? Do you enjoy cooking or entertaining? Will you tinker in the garage or plant a garden?

What's important to you about your home's location? How will you get to work and what's the commute like? Do you work from home and have special home office needs? If you have kids, is being in a top school district important for you? Or if your kids are in private school, how close is the school and where do your kids' friends live?

What amenities would you want nearby? Would you like parks, playgrounds, trails or paths close to your home? How about golf, tennis, or a gym? Think about access to the grocery store, shopping and restaurants. How far are you willing to drive or walk to get these places?

What's your style? Do you want a home that's a fixer-upper or one that's move-in-ready? Historic bungalow or new construction? Established neighborhood or new development? City center or away from traffic? Traditional or modern?

What home features are absolutely essential? What would be nice to have, but aren't necessarily essential? And what features are deal breakers – things you definitely do NOT want your home to have?

Other Questions to Consider:

- Do you want a pool? A garage? Or a 3-car garage? What about extra storage?
- How many bedrooms and bathrooms do you want and need?
- Do you want a bigger home, where everything can have its own space? Or is that just more space to clean?
- Do you want a yard or do you want to avoid yard maintenance?
- Do you want a fence for your kids or the dog? Or a spacious backyard?
- Any special furniture or needs? I.e., does your spouse play the piano?
- Do you need a walk-in closet? Or his & hers closets? Separate vanities in the bath?
- Do you want a formal living room and dining space? A dedicated playroom for the kids?
- Do you like wood, tile or carpet flooring?
- What about light, dark or neutral tones?



STEP 2

COME UP WITH A **PRELIMINARY** **BUDGET**

Ballpark, how much house can you afford?

This is where you start to answer this question.

In future steps, you'll be making decisions on things like mortgage loans and down payments where you'll be able to nail down a more specific budget.

For now, you just need to get a general notion of what you can afford to spend every month. As a starting point, consider how much you're currently spending on rent or housing.

As a general rule, lenders often recommend that you look for a home that costs no more than 3-5 times your annual household income. This assumes that you plan to make a standard 20% down payment and have a moderate amount of other debt.

If you don't have a great credit score, you may have to budget 25% or more as a down-payment. This is also the time to look into whether you qualify for any special grants or programs for first-time buyers, veterans, or other groups.

There are so many different types of loan products available -- adjustable vs. fixed rate mortgages; 30 vs. 20 vs. 15 year terms, etc. Do your preliminary research now and get down to the details in the next step when you speak to your mortgage broker to determine more exactly what kind of home you can afford.

STEP 3

SPEAK TO YOUR MORTGAGE BROKER



Specifically, how much house can you afford?

This is the time to refine your budget assumptions by firming up the details with a professional.

Your mortgage broker will help you take your monthly budget and translate that to a purchase price.

They'll do this by taking into account factors like property taxes and home insurance as well as your own personal financial information, such as your income, debts, savings, and investments. They'll assess how different factors such as interest rates and the amount you put down can impact your purchasing power.

Once your information has been reviewed, you will get feedback on what kinds of mortgage loans are available to you, so you can better calculate a price range for the home you can afford.

Note: There is a difference between getting prequalified vs. preapproved for a loan. Prequalification is a preliminary step that is based on the information you provide your mortgage broker, without verification. This may or may not involve a credit check, depending on their policies.

Preapproval is more involved process, which involves submitting paperwork to substantiate your financial situation. Whether you're getting prequalified or preapproved at this stage, your credit is only good for 60-90 days.

In summary: the goal for this step is to talk to your broker, get an idea of the price range you can qualify for, and then get either preapproved or at least, prequalified.



STEP

4

REFINE YOUR SEARCH

Next step: make a short list of potential homes.

At this stage, you've assessed your priorities as a homeowner and have the information needed to come up with a budget for your home.

It's important to consider both the upfront and long-term costs of home ownership.

Upfront costs can include: down payments, closing costs, appraisal fees, legal fees, and moving and home inspection costs. **Ongoing costs** can include mortgage payments, homeowner's insurance, property taxes, association fees (if applicable), utility costs, and maintenance fees.

Use these short and long term factors to help establish a price range. Then, use this price range, along with other factors you're considering, to refine your search.

Note: you may need to experiment with changing other factors such as the "number of bedrooms", "square footage" or "location" to see what impact these changes will have on your search results.

Ultimately, the end result is a **short list of specific homes that meet sufficient "Dream Home" criteria and fit in your budget range.**



STEP 5

CONTACT AGENT TO SCHEDULE TOURS

It's time to schedule some house tours!

Until now, you might have attended open houses or even home showings independently. This is the step where you'll want to start working with an expert real estate agent.

Some of the Benefits of Working with an Agent Include:

- **In-depth market knowledge**
- **Connections** to a network of qualified professionals
- **Experience** with negotiations and writing offers
- **Bonus SimpleShowing Benefit:** By working with a SimpleShowing agent, you get all the benefits of working with a traditional agent, with the added bonus of receiving up to half of the agent's commission at closing. This works out to be around \$6,000 on average!

Today's home buyers are doing more of the work in the buying process than ever before, so we're rewarding you by **sharing our commission**.

Ready to schedule a tour?

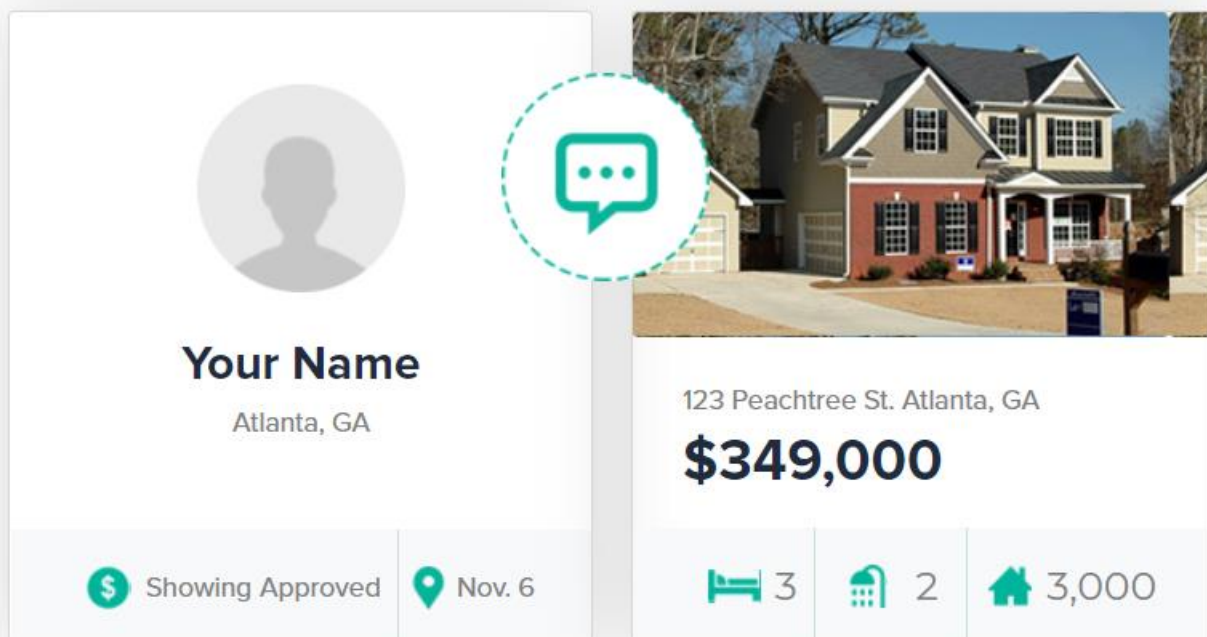
With the SimpleShowing app, you can seamlessly schedule home showings with one of our agents and receive on-demand support whenever you need it. **Just download the app or go to www.simpleshowing.com, pick a time that works for you, and the homes you'd like to tour. We handle the rest!**

In preparation for attending the home showings you've scheduled, you'll want to pull out your "Dream Home Checklist" from step 1. Consider printing it out and taking it with you to home showings, so you can keep a record of the different homes you've visited and how each one measures up to your list.

This will be an increasingly helpful step as you visit more homes. After a certain point, they will start to run together and you **might not remember which homes had which characteristics.**

Another pro-tip: take a tape measure, camera, and writing utensil. Measure and take notes, photos, and even videos of key parts of the house to capture all of the priority information about each home you visited.

You'll be glad you did this when it's time to finally make a decision on your favorite house.



A close-up photograph of a person's hands, wearing a white shirt, holding two small objects. The left hand holds a miniature model of a red and white house with a blue roof. The right hand holds a small, pink ceramic piggy bank. The background is a soft, out-of-focus white.

STEP

6

MAKE AN OFFER

You've made a decision on the best home, given your needs, preferences, and budget.

The time has come to make an offer!

This is where your agent becomes especially handy in helping you figure out all the different elements that go into your offer, including:

- Offer price
- Expiration date of offer
- Good faith deposit (at least 1%)
- Inclusions to the sale (i.e. appliances, furniture)
- Financing terms
- Inspection period
- Closing date
- Other terms and contingencies

Other Factors to Consider When Making an Offer:

Keep in mind that there are a variety of elements that can impact the strength of your offer. For the seller, it may not be all about who offers the highest price.

Factors that impact the competitiveness of your offer include:

- Whether you are paying cash
- How long before you are able to close
- Length of inspection period
- Higher good faith deposit
- Contingencies, such as financing or the need to sell your current home first

For example, if a seller needs to close on a home in 30 days and a buyer makes an offer stipulating that they can close in 21 days, then that makes their offer more competitive.

Your agent will help you figure this out, so you can understand the pros and cons of different decisions you can make when writing your offer.

Your agent acts between you and the seller to feel out what's acceptable to the seller, what's important to them, and most importantly -- what's important to you.

Note: While most contracts are fairly straightforward, remember that real estate agents are not attorneys and cannot give legal advice. If you have specific questions or special circumstances, consider consulting an attorney. Ask your agent for a referral to an attorney who specializes in real estate transactions if needed.



You've made your offer and it's been accepted by the seller.

Finally, it's time to get ready for closing.

There are two parts to this step: things you need to do and things that are going to get done on your behalf.

Things you need to do:

- 1. Make your good faith deposit:** your contract will specify when this payment needs to be issued.
- 2. Schedule an inspection:** your agent can recommend a good home inspector. Your agent can also help you revisit the offer if needed, based on the results of the inspection.
- 3. Complete your mortgage application:** submit all of the financial documents required to your mortgage broker. Talk with them about the possibility or pros and cons of locking in your mortgage rate.
4. Talk to your insurance provider about **homeowner's insurance**.

Things done on your behalf:

1. Your mortgage broker will order an **appraisal**.
2. Your closing attorney/agent will order **title search** and put together your **title insurance policy**. They will also help **coordinate all of the necessary paperwork and documentation** before closing.

A hand with red nail polish holding a red house-shaped keychain with two silver keys. The hand is wearing a white sleeve.

STEP 8

CLOSE THE SALE

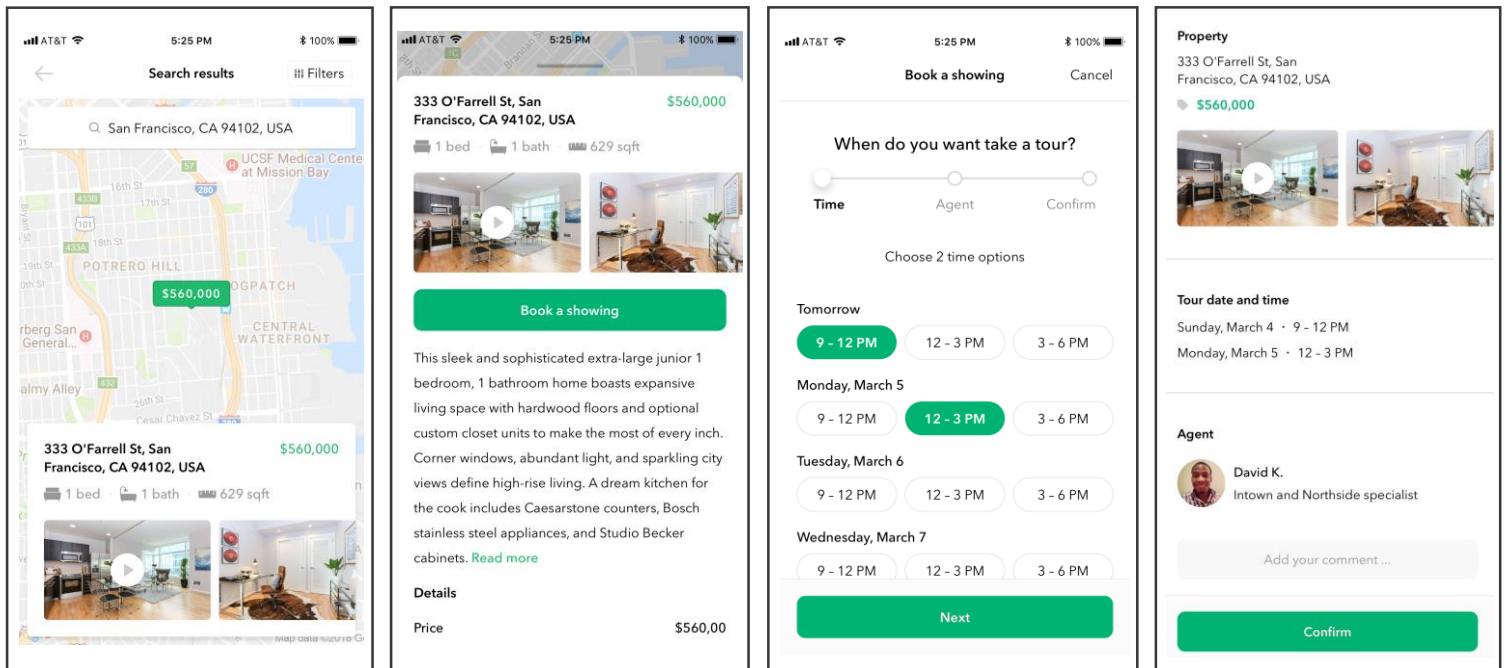
Once you've completed all the paperwork and gone through the steps above, it's closing time!

It usually takes about 30 to 45 days to go through this process, after which you can move in on the day you close.

The closing itself typically takes place at an attorney's or closing agent's office, where you'll sign all the paperwork and finally pick up the keys to your new home!

FIND YOUR DREAM HOME

Get an average refund of \$6,000 back with SimpleShowing's commission rebate! Browse listings that meet dream home criteria, pick a time for your tour, and we'll handle the rest.



SEARCH HOMES ON THE APP



SEARCH HOMES ON THE WEBSITE

Get all the benefits of working with a traditional agent AND up to half of your agent's commission at closing!

Not ready to book a tour yet? We're here to help! Call (800) 456-8075 or email hello@simpleshowing.com to learn more about our buyer's rebate and begin your home buying process.