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First Time Home Buyers' Guide

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Introduction

Remember the first time you merged onto the freeway? I do. My palms sweaty. My dad yelling, **"Speed up! Check your mirrors, watch the car in front of you, turn on your blinker, speed up, speed up, SPEEDUP!"** Somehow I survived.

Buying your first house can be a lot like merging onto the freeway. There's a lot to do -- all in the right order. And it seems like the biggest, scariest decision of your life.

Because it is! That's the bad news. The good news is that there are people out there to guide you.

But first... The question most folks forget to ask is Why? Why do you want to buy a house now? Is this a house to own for a few years and then trade up? Is this your 'forever home'? Is this the start of the real estate section of your portfolio?

Please note: This guide is general and broad. It does not cover everything. Please confirm any questions or concerns with your real estate agent. You can find more information at: <https://www.aaronline.com/manage-risk/buyer-advisory-3/>

[Start your journey here](#)

Find an Agent

I'm Rob, a real estate agent. There's a gazillion of us.

How do you choose one?

Find an agent you can talk to and who explains things. The biggest complaint about agents is that we don't explain enough.

That's why I wrote this eBook. Your agent also has to know the area. I know Phoenix and the East Valley.

What do we cost? How does **\$0.00** sound? Almost always the seller pays for the agents. I say 'almost always', because just about everything is negotiable. But on this, 'almost always' is a safe bet. The same is true for a new build house too. Don't go it alone!

So, you found an agent. Their first question is going to be something like, "Have you talked with a lender yet and are you pre-qualified?"

"Pre-what-ified?"

[Click to learn more](#)

Find a lender

A lender is the next person to meet. Unless you are going to pay cash for the house, you need to be approved for a mortgage. To do that, your lender looks over your finances and credit scores to pre-qualify you, letting you know how much money you can borrow.

Your lender also tells you how much you need for your down payment. You used to need 20%. Back in the old days when we walked ten miles to school both ways in the snow uphill. Then it was down to 5 or even 3.5%. **But that could still be over \$10,000!** Now there are down payment assistance programs where you might not have to bring anything!! Talking to a lender about your options can be a very good thing. Their job is to make sure you get the mortgage that's right for you.

Don't have very good credit? Many lenders can help you repair your credit score. Even with decent credit a tweak or two could end up saving you BIG. **Let me know if you need some referrals.**

After you are pre-qualified, we start our search.

[Click to learn more](#)

The search begins

- Do you like a certain neighborhood?
- Is there a style that appeals to you?
- How many bedrooms, bathrooms, car garage?
- Single or multi family house, condo or townhome?
- Introvert or Extrovert?

Wait, what?

Yeah, I like to find out if my clients are introverts who want a home far from the maddening crowd. Or are you someone who likes to throw parties? Spoiler alert: many couples have one of each. Let's find a house that satisfies you both!

Another way to look at this is to ask, what are the absolute must haves, the "**Gottas**" and what are the "**Wannas**". Do a little dreaming, imagine you are coming home from a long day at work. What are you looking forward to when you get home?

WAKE UP! Remember that pre-qualification letter? What can you get for what you can afford?. This is where a real estate agent comes in real handy. I help my clients determine what they need and want and stay within budget. **Okay, now the fun stuff...**

[Start searching here](#)

A hunting we will go

Now it's time go and have a look. It can be overwhelming. A professionally staged house looks like a movie set. Other houses look, well, 'lived in'. Some color schemes make you question the future of humanity. Are there hidden problems that the average person won't see? Again, this is where your agent comes in very handy.

- We can help you see past all the glitz or the clutter.
- We can tell you if a house has 'good bones' or is a 'money pit'.
- Most of all, we can find the house with all your '**gottas**' and some of the '**wannas**' at the best value.

Our search begins online at a multiple listing service, 'MLS'. Plug in all the variables and, poof!, here's a list of available homes. As with anything for sale, the descriptions and pics paint them in the best light. So, while it is okay to get a little excited, don't get too excited, not yet! We need to see them for ourselves.

It may require some patience and or some quick decision making, but eventually you find the right one and we make an offer.

[Find homes near you](#)

Let's make an offer

Gut check time. You really like the property. It ticks all the boxes. Time to sit down and go over the contract. Actually, we go over the contract early on, so this is the second time through. Let's make sure it's all clear. You may be focused only on price, but just as important are the terms.

Push submit. Now we wait. The seller accepts, rejects or counters.

Rejection is never easy. Just move on? Not so fast. If it is a hot property maybe we should resubmit with more favorable terms? I have also suggested that a buyer write a letter if they have a compelling reason they want to buy.

If we get a counteroffer, the roles switch and you now either accept or reject. Is it still the best home for you? Don't ever feel pushed into a corner. Patience is a great virtue in all of this.

Eventually everything aligns and you give the seller '**earnest money**', showing that you are serious. The seller's broker holds it in an escrow account. When we close, the money goes toward the purchase. If things fall apart you can ask for your earnest money back. Again your agent can help you with all of this.

Here are a few other things to consider

Under contract - part 1

The first week or so under contract is a whirlwind. You gotta firm up everything with your lender. Underwriters review, verify and often re-verify that all the numbers are correct. They're gonna ask for explanations and more records. It's invasive. Don't get frustrated. Their job is to make sure that you don't get in over your head.

We need an inspection of the house. A home inspector makes sure there are no latent, or hidden issues. If the MLS report oversells, then the home inspector's report undersells. It shows us all the issues with the house.

Armed with the report, we go back to the seller and ask them to either make the fixes or lower the price. Everything is a negotiation. Eventually we either move forward or cancel.

Finally, a professional appraiser values the house. This ensures that you really are getting a good deal.

Under contract - part 2 and the Closing

After the whirlwind of activity – crickets — “*Hello? Anybody out there?*” The last part of being under contract is usually very quiet. Most of the work happens behind the scenes.

- Your lender finalizes the mortgage.
- The title company makes sure that the sellers can give you free and clear title.
- HOA documents are transferred.
- Utilities are notified of the upcoming change in ownership.

I will give you updates, but usually there's not much to do until the last few days before the closing.

You may think that this lull is a perfect time to go out and buy new furniture or a car or whatever. **DO NOT DO THIS!** At the very least, talk to your lender first. Credit purchases mess with your qualifications for your mortgage. Dream but do not buy.

[Learn more about closing issues](#)

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A few days before the closing you get a final estimate of all the figures. Once given, they can't be changed so there are no surprises at closing. Like landing an plane, we are on final approach.

At the closing there are a lot of final documents to be signed. We've gone over them before this, so you understand what you are signing and initialing and signing, and dating and notarizing and initialing and, well, you get the point. It's a lot. But once it is over, you are the proud owners of your very first home.

Time to call your friends to help with the move and buy some new shower curtains!

What's next?

Did this guide take some of the mystery out of buying your first home? There is a lot to juggle. **The process takes time so starting now is important.**

Sure, the market in Phoenix is hot but Interest rates are near historic lows. It's a great time to buy. Give me a call or text. I'll help your hopes and dreams for your new home come to life!

[Click here for what's next](#)

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