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No Junk Mail

6 STEPS TO HOME BUYER SUCCESS



SPENCER REALTY, LLC
When Quality Counts



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A FEW WORDS FROM OUR CLIENTS...

"Thank you so much for all your help in buying our 1st home! You made everything flow so smoothly! It made the whole process practically stress free. You were so knowledgeable about everything and gave great references of other people to use. We're so glad my mom suggested we ask you. We love our new home thanks to you! Thanks again so much!"

Arick & Rebecca Lotz
First-time Home Buyers
Aurora, CO

"I thank God that I found you. I had talked with several Realtors and lenders who for some reason or another could not help me and had gotten discouraged. You were the first person who took the time to explain the whole process. You told me what I needed to do, how I needed to do it and when. Today I am the proud owner of my own home and I know that I would not be here without you. Whenever anyone tells me that they are looking for a Realtor, I am going to of my own home and I know that I would not be here without you. Whenever anyone tells me that they are looking for a Realtor, I am going to tell them that Spencer Realty is the only place to go if they value honesty, loyalty and commitment. Thank you so much for everything you have done!"

Cagney Nelson
First-Time Home Buyer
Aurora, CO

"My husband and I would like to take this opportunity to recommend without reservation the services of Tonyeil Spencer. We're first time homebuyers and were very nervous about the home buying process. Having heard many horror stories, we were very reluctant to engage in the process...Had we known home buying would be this easy we would not have put it off so long. In the future we will not hesitate again knowing that Tonyeil is in our corner. She made a reluctant and stressful task fun and painless! We will only use Tonyeil for our real estate needs and will recommend only her to others!"

Ramona & Duquane Jones
First-Time Home Buyers
Aurora, CO

"Thank you so much for all your efforts in behalf of me. What a great experience it was having you for my Realtor! I was not looking forward to going through the process of buying a house again. I have been buying and selling properties for 45 years and this has been the best experience of all. You anticipated all the steps needed to be taken, and you were there every step of the way and took care of all the little roadblocks that came up. Thank you for your patience, efficiency, kindness and encouragement. You have made the entire process painless."

Heidi Ross
Real Estate Investor
San Bernardino, CA



Representation

REPRESENTATION

• The Right Representative Matters!

The most important question property buyers should ask themselves is, "How does the home buying process really work?" Starting with the premise, for a property buyer consumer, they don't know what they don't know, questioning the source of guidance becomes the critical first step. The next step involves obtaining a thorough understanding of who represents each party's best interest in a real estate transaction. In the Multiple Listing Service (M.L.S.), there are two major categories of representation, a buyer's agent and a seller's agent. Unbeknownst to most consumers, compensation is offered through the M.L.S. directly to a buyer's agent from the seller and seller's agent before a property showing. Therefore, usually buyer agency is a service that does not require an upfront fee as the subsequent buyer and seller agent fees are netted out of the final purchase price and paid at the time of the closing.

• The Fiduciary Responsibilities Of The Agent!

As a property buyer, you may engage a real estate licensee to provide advice, assistance and representation on your behalf, with fiduciary level responsibility. (Fiduciary: faithful servant or trusted advisor. In a real estate agency relationship, the fiduciary responsibility may include certain legally mandated duties.) The formal definition is: The real estate licensee may represent you as the seller (Seller's Agent) or represent you as the buyer (Buyer's Agent) or can assist you as a Facilitator. All real estate licensees, regardless of the working relationship with a consumer, by law, must present properties honestly and accurately and disclose known material defects in the real estate.

The duties of a real estate licensee do not relieve consumers of the responsibility to protect their own interests. If you need advice for legal, tax, insurance, zoning, permitted use, or land survey matters, it is your responsibility to consult a professional in those areas. Real estate licensees do not and cannot perform home, lead paint, or insect inspections, nor do they perform septic system, wetlands or environmental evaluations. Do not assume a real estate licensee works solely for you, unless you have an agreement for that relationship.

• Transaction Brokerage

A real estate licensee may act as a transaction broker, a neutral party assisting both the seller and the buyer in a transaction, but only with the express and informed

written consent of both the seller and the buyer. A transaction broker acts as a neutral party regarding any conflicting interest of the seller and buyer. A transaction broker cannot satisfy the duties of loyalty, fidelity, and advocacy, which is required of a seller or buyer agent. A transaction broker does, however, still owe a duty of confidentiality of material information and accounting for funds. Written consent for transaction brokerage must be provided before a potential transaction is identified, but no later than prior to the execution of a written agreement for purchase or sale of residential property.

• Self-Representation!

Although the Internet has enabled property buyers to become more self-educated about property details, pricing history, and much more, that same access does not necessarily serve them as well for understanding the actual process of buying a property. It would be easy to believe the ease of access to property information via the Internet and a smartphone app would render an agent less useful; however, proper and accurate guidance has never been more important than it is today. There's too much information regarding properties and little regarding how to build and follow a strategic plan for purchasing a property. Some buyers will have a difficult time overcoming their belief they still have an advantage over an educated real estate agent; however, most buyers should have their interests represented by a competent, resourceful agent, and such services are regularly available without an upfront payment. Proper guidance during one of the largest financial and most emotional transactions most people will ever make in a lifetime is simply invaluable.

• Conclusion

We realize learning more about choosing a buyer's agent is a difficult process, so please contact us to discuss the matter further.

Understanding you must start the property purchase process by learning how to select proper representation will set up course module #2, where you'll learn how and why you must secure financing or obtain proof of funds for a cash purchase before writing an offer to purchase.



Financing

FINANCING

• Pre-Qualification Is Beneficial!

Whether you're paying cash or securing financing with a mortgage, financial pre-qualification is the most important subject to discuss with your representative early in the purchase process. When properly representing a buyer's best interest, it's important for a real estate agent to be prepared to write an offer that includes proof the buyer has the financial ability to consummate the transaction.

• Satisfying The Seller

You'll be asking the seller to remove their property from the market as an active listing, while you meet your contingency dates; therefore, the stronger the financial evidence you include with your offer, the more likely it becomes that the seller will accept your offer. Your proof of funds will help a seller trust and believe your pre-qualification is evidence you are serious about consummating the transaction and you're a safe risk.

• Pre-Qualification Versus Underwriting

If you are a buyer who will be applying for a mortgage, never assume they you are truly and correctly involved in that process without understanding it fully by having your lender outline the steps you must complete. Understand that a pre-approval letter is typically a quick and shallow look at your financial ability to perform because it does not represent that a full underwriting process has occurred. During a full underwriting process, the potential borrower is vetted through a thorough examination of personal financial documents, such as tax returns and bank statements. The borrower may even receive a loan commitment with final approval conditions attached. It's critical to understand the timeframe within which the financial process will be completed to adhere to finance contingency dates as outlined in an offer to purchase or a purchase and sales agreement.

• Cash Purchase Proof Of Funds

When it comes to paying cash for a property, you may feel a reluctance to share your bank statements and rightfully so. Therefore, we suggest the alternative is to request a simple letter from the financial institution with the funds secured. Such a letter, written on the letterhead of the financial institution, may be your greatest advantage in securing a contract versus other less competitive bids.

• Conclusion

We realize learning more about obtaining pre-qualification or proof of funds may require assistance, so please contact us to discuss the matter further.

Understanding you must start the property purchase process by learning how to secure financial pre-qualification or proof of funds will set up course module #3, where you'll learn how to refine your search for the property features that are most important, while understanding what the money will actually buy in today's market place.



Features

FEATURES

• The Outer Ring!

When beginning the process of searching for a property, it's important to recognize that you, as the buyer, are starting at the outermost ring of the bull's eye target. Finding the right property is a process. It's commonplace in the real estate agent business to quip, "buyers are liars." This is often stated as a frustration that, when beginning the process of searching for a property, buyers often seem allusive. In our experience, buyers are actually confused early in the process, simply because they are not sure what they want, given all the available choices under consideration. This buying process anxiety is compounded by the thought of making a major financial decision and commitment. Therefore, it's easy to understand how property buyers could come across as being confused and allusive.

• Matching Price & Features!

The first step in proper buyer guidance is to advise that you first consider what you can purchase in the marketplace with the amount you have decided to spend or have been pre-approved to spend. Although you might search for properties currently for sale or new to the market, it's very important to study the actual sale prices of properties that have recently sold and include the features you're looking for. The reason is because all buyers start the process with a perception of value, rather than a complete understanding of what the money can actually buy under current market conditions.

• What Features Are Most Important!

Given the overwhelming array of choices, it's critical to stay focused on the features that are most important to you. When doing this, it's wise to consider the location and lifestyle the area provides. While it's typical to hyper focus on what the physical property has or does not have, it's equally important to understand what you want once you step outside to live your life. In all cases, keep asking, "What's most important to me?" Regarding physical features, you'll find it

will be difficult to find an existing property that offers 100% of the attributes you're searching for. Therefore, we recommend you stay focused on several of the major "have-to-have" items and don't compromise on the few versus the many less important aspects.

• Refining Your Criteria!

Ultimately, there is no perfect property, yet the more you focus on the must-have features of a property, you'll make your own refinements and move towards a buying decision. Considering you started at the outer ring of the bull's eye believing you had to have certain features, you will now discover that, suddenly, some features no longer matter. This process of refinement will give you the feeling of empowerment and the understanding that you're making an informed decision that will serve you well. Also, understand that no property is perfect; therefore, the last 10% of the decision-making process is a blind leap of faith that the purchase will suit you just fine.

• Conclusion

We realize learning more about refining your search to focus on the features that are most important to you may require assistance, so please contact us to discuss the matter further.

Understanding how to refine your search properly to focus on the features that are most important to you will set up course module #4, where you'll learn how to begin your search in the field touring properties and neighborhoods to discover the realities of the market place.







Touring

TOURING

• Internet Confusion!

The Internet is confusing the modern-day buyer by providing enhanced pictures that make spaces look bigger and cleaner than they might be in reality, or perhaps, the pictures do the property an injustice and eliminate possible showings. By offering a massive volume of general property information that might be accurate, the Internet may also confuse the buyer consumer. While the intent was to make information more readily available to property consumers, the challenge is now sifting and sorting through too much information as properties look the same online.

• Lifestyle First!

A critical step in the property buying process is to recognize that, even though you might feel you are early in the process of purchasing, start by touring neighborhoods. It's most important to think about how you will live your life once the property is purchased. Consider the proximity of the property to the conveniences that will offer you the quality of life you're looking for.

• Relative Decision!

It's important to understand we all make decisions in a relative manner. We have alternatives and many of them when it comes to choosing the right property. Although the Internet allows for research to narrow down areas and styles of property, there is no substitute for gaining a sense of how the physical property makes you feel. Although you believe you know what you want, if you don't visit your favorites for a true and thorough comparison, it will be very difficult to eliminate those properties that aren't right. The key is to understand that decision-making is a process that requires the physical comparison of property features, so the most important aspects can be brought to the forefront through comparative elimination.

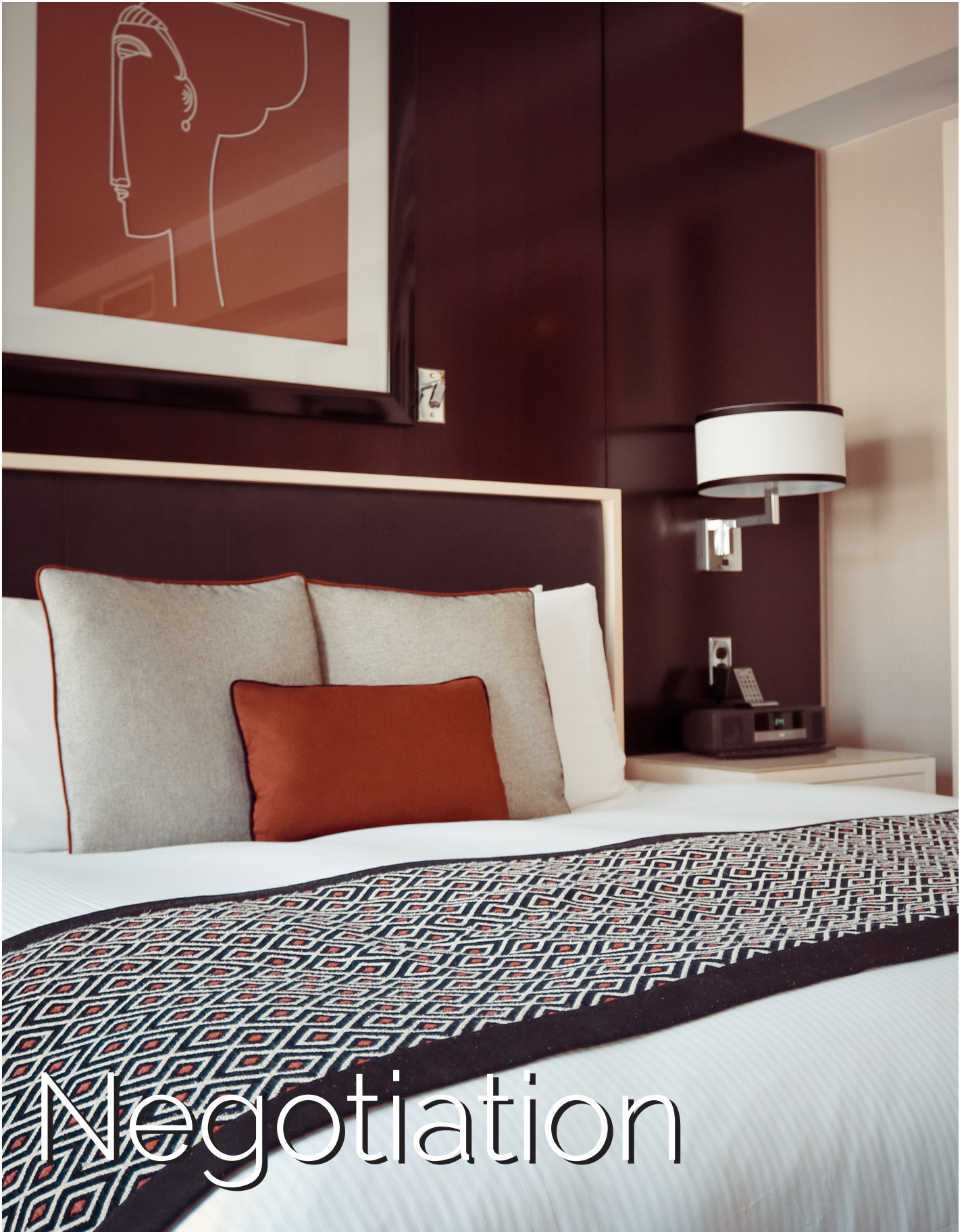
•Touring On and Offline!

Ultimately, the most effective process involves the combined usage of both online and in-the-field touring. By visiting neighborhoods, touring open houses, and booking private viewings with your buyer agent, you can expedite the process of elimination and allow for an editing process that will help you sift through the details and help you stay focused on the most important aspects of all: the happiness you'll feel by finding the property that best suits your needs.

• Conclusion

We realize learning more about how to set up a proper touring process may require assistance, so please contact us to discuss the matter further.

Understanding how to tour properties and neighborhoods properly will set up course module #5, where you'll learn how to prepare for the negotiation of the terms and conditions of the purchase of your property to attain the best deal possible.



Negotiation

NEGOTIATION

- **Control Your Emotions During Negotiation By Being Prepared!**

The biggest mistake property buyers make during the negotiation phase is that they don't prepare themselves properly. The best negotiators are the best prepared. It's important to walk through what happens during your negotiation with your real estate agent, so you'll never be surprised. The first step is to study the potential trading range for your property and understand the buyer is most likely to start at the lower end of that range, unless the market place is so competitive there are multiple offers by default.

- **The Final Price Will Fall Within The Reality Range!**

Your final purchase price will most likely fall within or close to the reality range of what the market will actually command, so be certain to study the potential range with your buyer agent before a negotiation. When you're aware of this range, you'll avoid overreacting negatively to an offer rejection. The next step is to prepare yourself to be involved in the process of counter offering to keep the discussion moving. It doesn't matter where a seller begins their first counter offer; it only matters where they end up. Unless the property is a true distress sale, your harsh negative responses to the seller might end the process prematurely, even when obtaining a favorable purchase was still possible. Every seller must experience their own process, and many will improve their willingness to compromise when they encounter a positive, inviting reaction.

- **Don't Overthink & Stay Connected With Why You're Buying!**

Most buyers try to read too far into the negotiation techniques of the seller and become too easily offended. Don't overthink what the seller's strategy might be; rather, realize it's just a business transaction, and the market place is simply trying to find the true current market value for your property. The key to staying calm and

professional during your negotiation is to stay focused on why you're selling in the first place, so you continue to move towards the goal of a successful sale.

- **Everybody Has To Agree In The End So Think Win-Win!**

Remember, at the end of any property negotiation, both buyer and seller have said 'yes' and agreed to a meeting of the minds on price and terms. Neither party will feel they've achieved a perfect deal, because there is no such thing. The final deal is influenced by so many variables that it's impossible to experience a perfect negotiation. The best thought process is to be thankful that a ready, willing, and able seller has agreed to sell you their property, which, ultimately, is a win-win situation.

- **Conclusion**

We realize preparing to negotiate the purchase of a property can be overwhelming, so please contact us to discuss the matter further.

Understanding how to negotiate the purchase of a property will set up course module #6, where you'll learn how to prepare for the closing process, so you avoid the loss of your deal.



Closing

CLOSING

- **The Closing Process Requires Attention To Detail!**

Once a sales contract has been agreed upon, many details must be accounted for. The most important detail is to protect against losing deposit monies. The way to protect the money properly is to adhere to all critical dates and deadlines. Whenever a deadline cannot be met, it's critical to secure the properly written extensions or withdrawal forms. There are many parties connected to a closing, including, but not limited to, attorneys or title companies, insurance agents, mortgage lenders, and inspectors for smoke detector and septic system compliance where applicable. Proper communication with all parties is critical.

- **Stay Focused On What You Must Do!**

The most important lesson is to assume 100% responsibility for the outcome of your closing, even when you're being assisted by a team of competent professionals. Primarily, you must understand your personal closing responsibilities. For example, you should be arranging for a moving company and a cleaning company and any other contractors required to bring the property into your expectation of move-in condition. Don't assume anybody, but you, has your best interests in mind and ask questions any time you're not sure what you must do to close with care.

- **Consider Dates Seriously!**

Understand that selling a property is a large financial transaction that typically follows a written contract, which contains legal obligations that must be met, or the parties might become subject to penalties under contract law. Given that, we always recommend the use of an attorney to ensure you are always in compliance and protected. In addition, the best way to protect yourself is to adhere to the dates and deadlines you, as the buyer, must meet.

- **Be Flexible And Anticipate Challenges!**

A real estate transaction is one of the largest financial and emotional transactions that most people make in a lifetime. The transaction includes the orchestration of many parties and therefore requires a greater level of flexibility. While it's important to stick to dates and deadlines to avoid financial loss, also expect and prepare for timeline adjustments to ensure a less stressful experience.

- **Conclusion**

Well congratulations! If you've completed all the modules, then you're well on your way to purchasing a great property successfully!

You should recognize that purchasing a property is a complicated transaction, so we understand that, for most buyers, this course is simply an orientation, rather than the full education we offer as professional real estate agents.

We also realize preparing for the entire process of purchasing a property can be overwhelming, so please contact us to arrange for a personal consultation on how to be more prepared for the purchase of a property.

We wish you a successful purchase and thank you for taking your valuable time to complete our course!

MOVING CHECKLIST

• Several Weeks Prior to Move:

- Have a garage sale to dispose of unwanted items.
- Donate unwanted clothing or household goods to charitable organ Obtain receipts showing the items' approx. value for possible tax deductions.
- Begin to use up supplies of canned goods, frozen foods and other household items. Buy only what will be used before moving.
- Return library books and anything borrowed from friends or neighbors, and collect things you may have loaned.
- Review your relocation package if you have one, and determine what expenses will be paid by your company.
- Start a log of moving expense receipts (some may be tax deductible).
- Get written estimates from moving companies. Check the limits of insurance they offer, and if it covers replacement cost.

• Prior to Moving Day:

- Confirm with your employer that you're scheduled to be off on moving day.
- Purchase supplies like packing tape, bubble wrap and furniture pads, Boxes, boxes, boxes!
- Drain fuel from your power mower and other machinery.
- Pack "Open First" Boxes. For each room you pack, set aside one box that contains everything you'll need the first few days in your new home.
- Finish taking apart furniture that needs to be disassembled.
- Sort out any plants you're taking.
- Check that all the paperwork related to your house sale/purchase is complete.
- Close bank accounts if necessary.
- Finish your major packing.
- Pack up your computer and electrical equipment. Write down serial numbers.
- Make sure all boxes are clearly marked/labelled.
- Start cleaning the house as you go.
- Make sure you have all the documents related to your move on hand.
- Check in with the movers and confirm the start time of your move

• And Don't Forget to:

- Defrost freezer/refrigerator. Place charcoal to dispel odors.
- Have appliances serviced for moving.
- Plan special care needs of infants, children, seniors, pets and potted plants.
- Clean out club, gym and school lockers; pick up all dry cleaning.
- Check all closets, cabinets and rooms to make sure you didn't leave anything. Take out the garbage. Lock the windows.
- Leave all keys and garage door openers needed by new owner. Leave a note with your contact information for the new owners.

• And On Moving Day, Don't Forget:

- It's easiest to load the truck if you have everything organized in a predesignated order. Load first items you need the least, and load "Open First" boxes last.
- Carry currency, jewelry, and documents yourself, or use registered mail.
- Check thermostat and make sure temperature is set appropriately.

• At New Home:

- Be on hand to accept any deliveries. If you cannot be there, authorize an adult to be your representative to accept, deliver and pay charges.
- Give the kids a job to do – let them start on their rooms. The kid's rooms are the best to set up first as it helps them feel at home.
- Supervise moving crew on location of furniture and boxes. Begin unpacking necessary basics first - basic kitchen utensils, bath toiletries, etc.
- Check to make sure all utilities are on and working properly

ADDRESS CHANGE CHECKLIST

• **Send Change of Address to:**

- Alumni associations
- Attorneys
- Banks (auto loans, checking accounts, credit cards, home equity, mortgage, safe deposit box, savings account)
- Cell phone provider
- Child care/daycare
- City/County Tax Assessor
- Credit bureaus
- Credit card issuers
- Department of Motor Vehicles
- Dry cleaning pick-up and delivery
- Employer
- Family members
- Health: medical, dental, prescription histories. Ask doctor and dentist for referrals, transfer needed prescriptions, x-rays. Contact pharmacies.
- House cleaning service and lawn care
- Insurance coverage: life, health, fire, and auto.
- Magazine and newspaper subscriptions
- New business cards
- Passport
- Pet sitter/ dog walker/ pet day care
- Post office (give forwarding address)
- Professional organizations
- Retirement plan holders
- Schools/Parent-teacher association (ask for copies or transfer records.)
- Social Security Administration
- State/Federal Tax Bureaus and accountant/tax preparer
- Swimming pool maintenance/ memberships
- Utility companies: gas, light, water, telephone, fuel and cable
- Veterinarian (pet licenses, vaccinations, tags, etc)
- Veterans Administration



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