

Home Buyer

GUIDE

O'REILLY
REALTY GROUP

Shannon O'Reilly, Broker



Congratulations on taking this exciting step toward homeownership! Whether this is your very first home or your next dream property, we're honored to guide you through the process and make this journey as smooth, enjoyable, and stress-free as possible.

Buying a home is one of the most meaningful investments you'll ever make, and it's so much more than a transaction. It's about finding the perfect place to build your future, create memories, and truly feel at home.

Inside this packet, you'll find helpful information about each stage of the buying process, from getting pre-approved and touring homes to making an offer, inspections, and closing day. Our goal is to empower you with knowledge, set clear expectations, and provide you with the tools and support you need every step of the way.

Thank you for trusting us to be part of this important milestone. We're committed to delivering exceptional service, clear communication, and expert guidance throughout your journey, and celebrating with you the day you receive the keys to your new home.

Welcome aboard! Let's find your perfect home together!

**Warm regards,
Shannon O'Reilly, Broker
O'Reilly Realty Group**

O'Reilly Realty Group

As you embark on your real estate journey, it's important to know who you're partnering with. At O'Reilly Realty Group, we believe that understanding our background, mission, and objectives is key to building a strong, trusting relationship with our clients.

Our history

Founded in the dynamic heart of Mansfield, TX, in 2022, the O'Reilly Realty Group emerged from a simple yet profound idea: to bring your dreams to fruition.

Our mission

Our mission is centered around delivering forward-thinking, knowledgeable, and exceptional service; that is wrapped in transparency, honesty, and integrity.

The goals

We strive to deliver more than a transaction. We give our clients a personalized opulent experience from beginning to end. We believe that luxury can be found in every price range; and our primary goal is to bring your dreams to fruition.

Transparency & Commitment to You

At O'Reilly Realty Group, we believe in complete transparency and open communication throughout the home buying process. Our goal is to provide you with all the information you need to make informed decisions and to ensure you feel confident and supported every step of the way.

01

BUYER'S AGENT COMMITMENT

We represent your best interests and are dedicated to helping you find and purchase your ideal home.

02

PROFESSIONAL GUIDANCE

We offer expert advice, market insights, and negotiation skills to ensure you get the best possible outcome.

03

NO HIDDEN FEES

We clearly outline our compensation structure upfront, so you know exactly how we get paid.

04

COMPENSATION SCENARIOS

We explain all potential compensation scenarios, ensuring you understand how each situation might affect you.

05

CLEAR COMMISSION STRUCTURE

Our commission structure is transparent and straightforward, with no hidden fees. We will discuss all potential costs with you upfront.

06

ETHICAL STANDARDS

We adhere to the highest ethical standards as set by the National Association of Realtors (NAR).



TRANSPARENT COMPENSATION

HOW YOUR AGENT IS COMPENSATED?

At O'Reilly Realty Group, we believe in complete transparency regarding our compensation. It's important that you understand how we are compensated for the services we provide and that there are no hidden fees involved.

HOW WE GET PAID?

One of the most common questions buyers have is how their real estate agent gets paid. In most real estate transactions, buyers do not pay their agent directly. Instead, compensation typically comes in one of the following ways:

Cooperating broker agreement:

In many transactions, the seller agrees to pay a commission for the sale of their property. This commission is then split between the seller's agent (listing agent) and the buyer's agent (your representative) as part of a cooperating broker agreement. This means you get professional representation without having to pay out of pocket.

Seller to Broker Agreement:

If there is no commission offered to the buyer's agent through the listing, your agent may negotiate a seller to broker agreement with the seller or listing broker to ensure compensation for their services.

Buyer-Paid Compensation:

In some cases, if the seller is not offering compensation and no agreement is reached with the listing broker, the responsibility for compensating your agent falls to you, the buyer. This would be clearly outlined in a buyer representation agreement before you move forward, so there are no surprises.

Upfront Disclosure: We provide a clear and detailed explanation of our compensation structure from the beginning. You'll know exactly how we are paid before we start working together.

No Hidden Fees: We are committed to transparency, and there are no hidden fees or unexpected charges. All potential costs are disclosed upfront, ensuring you have a complete understanding of your financial commitments.

Our Services

At The O'Reilly Realty Group, we believe real estate is more than just buying or selling a home, it's about creating wealth, building legacy, and making one of life's biggest decisions with confidence. Our mission is to deliver a white-glove, concierge level experience that exceeds expectations at every stage of the journey.

Our Buyer Representation Services

At ORG, we go beyond showing homes, we act as your strategic partners from search to keys!

Personalized Consultation: We start with an in-depth needs assessment to understand your goals, lifestyle, and financial comfort zone.

Curated Property Matching: Advanced MLS technology, off-market access, and daily property alerts ensure you never miss an opportunity.

Market Education & Strategy: We provide expert guidance on neighborhoods, pricing trends, appreciation potential, and investment opportunities.

Expert Negotiation: Our skilled negotiators fight for your best price and terms to save you **money and protect your interests.**

Trusted Vendor Network: Access to top lenders, inspectors, title companies, and contractors to make the process seamless.

Contract-to-Close Guidance: We manage every step, from offers and inspections to closing, ensuring nothing falls through the cracks.



Let's turn your
dreams

Into Reality!



Deciding to Buy

Ah, the allure of homeownership: the white picket fence, the garden gnome gracing the lawn, the Sunday barbecues in the backyard. It's the American dream, isn't it? But deciding to take the leap from renting to buying is a huge step. Let's dive into the intricacies of making that decision.

Why Do You Want to Buy?

Every journey begins with the "why." Is it because you're tired of paying rent to a landlord every month? Perhaps you're seeking a more permanent place to hang your hat, or maybe it's the freedom to paint your bedroom any shade of blue (or pink!) you desire. For many, it's the prospect of viewing a home as an investment, a place that, with time, grows in value.

Financial Fitness is Key

Budgeting: How much can you really afford without straining your monthly finances?

Credit Check: That three-digit score will significantly impact the mortgage rates you're offered. A healthier score equates to more favorable terms.

The Saving Game: Remember, the costs don't end with the down payment. Closing costs, inspection fees, and any immediate renovations can all tally up.

The Market Pulse

Get a feel for the market. In simpler terms: Are homes selling rapidly, or is it more of a slow dance? Knowing the market dynamics you're stepping into can inform your negotiation strategies and set expectations for pricing.

Your Future Plans

Look ahead: Do you envision yourself in this city for the next decade or so? If you're in a transient phase of life, discerning the right time to buy is crucial. Moreover, consider what you need from a home now and what you might need in the future.



Understanding Your Housing Needs

Before you start the home buying process, it's essential to have a clear understanding of what you're seeking in a home. Consider the following factors:

Type of Home: Are you interested in a single-family home, in a townhouse, in a condominium, or in a multi-family building with two to four units?

New or Existing Home: Would you prefer the charm of an existing home with mature landscaping and established neighborhoods, or are you drawn to the modern features of a new home that might allow for customization?

Location: Consider the neighborhood's suitability for your lifestyle, including commute times, school district quality, proximity to amenities, and community services.

Features: Compile a list of essential and desired features. How many bedrooms and bathrooms are necessary, and what specific features are you seeking? Are you looking for an open-concept design, or do you prefer separate rooms? Consider the importance of outdoor space, a garage, or a home office.



Establish Your Budget

Once you have a clear picture of your housing needs, it's time to assess your budget to determine how much house you can afford:



Income: Your income is a crucial factor in determining your housing budget. Generally, your monthly housing expenses, including your mortgage, property taxes, and insurance, should not exceed 28-30% of your gross monthly income.

Down Payment: A larger down payment can reduce the amount of your mortgage and potentially eliminate the need for mortgage insurance, saving you money over time. Typically, homebuyers are expected to have a down payment saved before purchasing a home.

Credit Score: Your credit score plays a significant role in obtaining a favorable mortgage rate. A higher credit score can lead to better interest rates, thereby lowering your long-term financial commitment.

Debt: Your current debt levels will influence the amount lenders are willing to offer you. Lenders usually prefer that your total monthly debts, including your anticipated new mortgage payment, should not exceed 36% of your gross monthly income.

Understanding Your *Score* Credit

Your credit score is a numerical representation of your creditworthiness, calculated based on your credit history. It's essentially a snapshot that lenders use to assess the risk of lending you money. In the U.S., credit scores typically range from 300 (the lowest) to 850 (the highest).

Mortgage Approval

Lenders consider your credit score when determining whether to approve your mortgage application. A lower score can make it more challenging to get approved.



Interest Rates

This score also influences the interest rate on your mortgage; a higher credit score can help you secure a lower interest rate, potentially saving you thousands of dollars over the life of your loan.

Loan Options

Furthermore, certain types of loans, such as conventional loans, may require a higher credit score than others, meaning your score can significantly impact the loan options available to you.



Understanding Your Credit Score



Generally, a credit score of 740 or higher will help you secure the best interest rates.

However, it's possible to get a conventional loan with a credit score as low as 620. An FHA loan may require a minimum credit score of only 580.

If your credit score is less than ideal, there are steps you can take to improve it:

Pay Bills on Time: Your payment history is the most significant factor affecting your credit score. Make sure to pay all your bills on time, without exception.

Lower Your Credit Utilization: Aim to use less than 30% of your available credit. For example, if you have a credit card with a \$10,000 limit, try to maintain a balance below \$3,000.

Score

Don't Open New Credit Lines: Each time you apply for new credit, it can cause a small, temporary dip in your credit score. Therefore, avoid opening new credit lines shortly before applying for a mortgage.

Check Your Credit Report: Errors on your credit report can negatively impact your score. Request a free credit report from each of the three major credit bureaus, Experian, TransUnion, and Equifax, and promptly dispute any inaccuracies you discover.

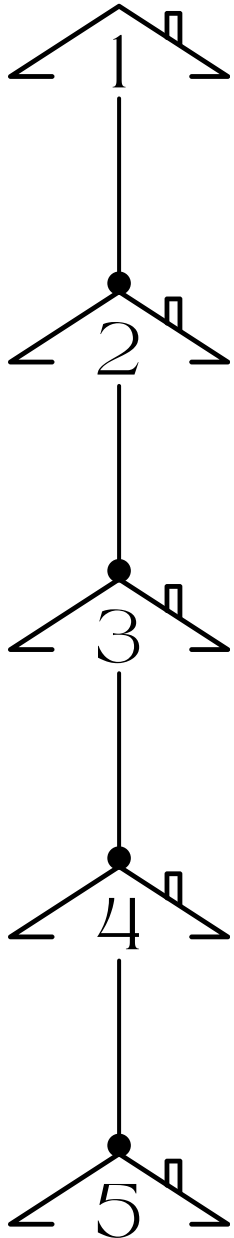


Let's Find

**YOUR DREAM
HOME**



Home Buyer's Road Map



Make The Decision To Begin Your Journey!!

Make Sure You Are Ready To Buy

- Make sure you are ready emotionally
- Review Income and expense status over the last few years
- Decide is it a good time for buying a house

Get Your Finances In Order

- Check your debts and income
- Calculate how much house you can afford on your own
- Check your credit report with all three bureaus (Equifax, Experian, and TransUnion).
- Aim for a score of 620+ for most conventional loans (580+ for FHA), but the higher the score, the better your loan terms.
- Avoid opening new credit cards or taking on new debt before applying for a mortgage.
- Aim to save 3% to 20% of the home price for your down payment (FHA allows as low as 3.5%).
- Budget an additional 2% to 5% of the purchase price for closing costs (inspection, appraisal, title fees, etc.).
- Budget an additional 1% of the sales price for your Earnest Money Deposit. If you are purchasing a new construction home, this amount could be more. The EMD can vary and is negotiable on pre-existing homes.

Avoid Major Financial Changes Before Buying

- Don't switch jobs or become self-employed right before applying (unless it's necessary).
- Avoid co-signing loans for others.
- Don't finance new vehicles or open new lines of credit before closing.

Create a Homebuying Budget

- Don't just focus on the loan, factor in all homeownership costs.
- Estimate monthly costs: mortgage, property taxes, homeowners insurance, utilities, and HOA fees.
- Budget for maintenance and repairs (about 1% of the home's price per year is a good rule of thumb).
- Make sure you're comfortable with your total monthly payment, not just what you're approved for.



Home Buyer's Road Map

FIND A REALTOR®

The realtor is your representative in the home buying process. You should choose me as your agent because I'm deeply committed to protecting your best interests, guiding you with expert market knowledge, and negotiating the strongest deal possible. I make the homebuying process seamless, strategic, and stress-free, so you can focus on finding the perfect home with confidence.

CREATE A WISH LIST

What's your ideal location?
Number of bedrooms and bathrooms, square footage?
Outdoor space, preferred location, type of home?

BEGIN HOUSE HUNTING WITH YOUR REALTOR®

Consider your criteria and set realistic expectations.
Think long term, your goals, kids goals etc.
Ask any questions you have about hunting and expectations.

CHOOSE A HOUSE

Choosing the right house is important because it's not just a place to live, it's an investment in your future, lifestyle, and financial stability. The right home should align with your long-term goals, meet your needs, and provide comfort and security. Making a thoughtful decision now ensures lasting value and happiness for years to come.

MAKE AN OFFER

Making an offer on a home is an exciting step in the buying process and where strategy truly matters. Once you've found the right property, I will help you determine a competitive offer price based on market conditions, comparable sales, and the home's condition. We'll then draft a purchase agreement that includes the price, earnest money deposit, financing terms, contingencies (if any), and proposed closing date. After submitting the offer to the seller, they can accept it, reject it, or present a counteroffer; and we'll negotiate on your behalf until both parties reach an agreement. Once accepted, the home goes under contract, and we move into the next phase: inspections, financing, and preparing for closing.



Home Buyer's Road Map

HOME INSPECTION

Helping you negotiate an inspection report is an important part of protecting your investment and ensuring your new home is in the right condition. Once the inspection is complete, we'll review the findings together and prioritize which issues are most important, such as safety concerns, structural problems, or major system repairs. From there, I'll present repair requests or financial concessions to the seller on your behalf, aiming to either have the issues fixed before closing or negotiate a credit toward your closing costs. My goal is to make sure you move forward with confidence, knowing the home is safe, sound, and a smart purchase.



HOME APPRAISAL

An appraisal is an unbiased professional assessment of a property's market value, usually required by your lender before finalizing your mortgage. It helps ensure you're not overpaying for the home and that the property's value supports the loan amount. The appraiser evaluates the home's condition, features, location, and recent comparable sales to determine its worth, protecting both you and the lender in the transaction.

NEGOTIATE REPAIRS

Negotiating repairs is a key step after the home inspection to make sure the property is in good condition before you close. Once we review the inspection report, we'll identify the most important issues and request that the seller either complete those repairs or offer a credit toward your closing costs. My job is to advocate for you and negotiate fair solutions that protect your investment while keeping the deal moving forward.

FINAL WALKTHROUGH

The final walkthrough is the last step before closing and your opportunity to make sure the home's condition matches what was agreed upon in the contract. During this visit, we'll confirm that all requested repairs have been completed, any agreed-upon items remain in the home, and there's been no new damage since the inspection. It's not another inspection, but rather a final check to ensure everything is ready for a smooth and successful closing.

CLOSING DAY

Buyer's final walkthrough again!

Signing final documents

Prep for closing

Make the sale official

IMPORTANT TEXAS CONTRACT TERMS

Earnest Money

What Is Earnest Money?

Earnest money is a “good faith” deposit showing the seller you are serious.

Typical Amount: Usually 1% of purchase price

Can vary

Example:

\$300,000 home = approximately \$3,000 earnest money

Who Holds It?

The title company holds the money in escrow.

When Is It Due?

In Texas, earnest money is typically due: Within 3 calendar days after the effective date of the contract

Is It Refundable? It depends:

YES - if you terminate during the option period

YES - if a contract contingency allows termination

NO - if you default outside protections

Who Pays: Buyer pays earnest money.

Option Fee & Option Period

What Is the Option Fee?

The option fee is money paid directly to the seller for the unrestricted right to terminate the contract during the option period. Think of it as “buying time” to fully inspect the home.

Typical Option Fee:

Often \$100–\$500+

Can be higher in competitive markets

When Is It Due?

The option fee must be delivered within: 3 calendar days after the effective date

Important:

If not delivered on time:

The buyer may lose the unrestricted right to terminate.

What Is the Option Period?

The option period is the negotiated number of days the buyer has to inspect the property and potentially back out for any reason.

Typical Length: 5–10 days

Sometimes shorter in competitive markets

During the Option Period:

The buyer can:

Conduct inspections

Negotiate repairs

Cancel for any reason

If Buyer Cancels During Option Period: Buyer typically gets earnest money back

Buyer usually loses only the option fee

Real Estate terms

Appraisal

An evaluation of a property's value conducted by a licensed appraiser, typically commissioned for the benefit of the lender to ensure the property's market value meets or exceeds the loan amount.

Broker

An individual who has completed additional education beyond the agent level as mandated by state laws and has passed a broker's licensing examination.

Buyer's Agent

A real estate agent who represents the interests of the buyer in a real estate transaction.

Closing

The final step in completing a real estate transaction. The closing date, set during the negotiation phase, occurs several weeks after the offer is formally accepted.

Closing Costs

Fees incurred at the closing of a real estate transaction. At the closing, the title to the property is officially transferred to the buyer.

Commission

The fee paid to real estate professionals for their services, usually calculated as a percentage of the property's selling price.

Comparative Market Analysis

A report comparing sales of similar homes in the area to help establish a reasonable asking price for a property.

Contingency

A provision in a real estate contract that must be met for the contract to become legally binding.

Counteroffer

A new offer made in response to a previous offer, containing modified terms based on negotiations.

Deed

A legal document that represents proof of ownership and grants the holder specific rights to real estate property.



Real Estate terms

Disclosure

A statement by a seller or a broker regarding the property's known defects.

Earnest Money Deposit (EMD)

A deposit made by the buyer towards the down payment as a sign of good faith when the purchase agreement is signed.

Equity

The portion of the home's value that the homeowner "owns" outright. It is calculated as the current market value of the home minus the outstanding mortgage balance.

Escrow

A third-party service, often required in the home-selling process, that holds and disburses funds to facilitate the closing of a home.

Fair Market Value

The estimated price at which a property would likely sell in a transaction where both buyer and seller are knowledgeable and willing parties.

Home Inspection

An examination of a property's condition, typically conducted by a professional home inspector.

Home Warranty:

A policy that covers the cost of repairing or maintaining household systems or appliances.

Listing

A property that is on the market for sale. The term "listing" also refers to the agreement between the home seller and the real estate agent tasked with marketing the property.

Listing Agent

The real estate agent representing the seller.

Mortgage

A loan used to finance the purchase of a home, with the property itself serving as collateral for the loan.

For Sale By Owner (FSBO)

A property that is being sold directly by the owner without the representation of a real estate agent.



Real Estate

terms

Multiple Listing Service (MLS)

A tool that real estate brokers use to establish contractual offers of compensation and to compile and share property data with other brokers.

Offer

The price that a buyer proposes they are willing to pay for a property.

Option Fee

An option fee is a payment you make to the seller for the right to terminate the contract during the option period, usually 5-10 days. This time allows you to conduct inspections and decide whether to move forward with the purchase without losing your earnest money.

Pre-approval letter

A document from a lender stating that a buyer qualifies for a mortgage of a specified amount.

Real Estate Agent

A professional licensed to negotiate and facilitate real estate transactions.

Short Sale

The sale of real estate in which the proceeds from the sale are less than the balance of debts secured by liens against the property, requiring the lender's approval.

Staging

The act of preparing and showcasing a residential or commercial property for sale.

Title Insurance

An insurance policy that protects the holder from financial loss resulting from defects in the title to a property.

Under Contract

A term used to indicate that a home has an accepted offer but the sale has not yet been completed.



Let's get

pre-approved



Getting Pre-approved for a mortgage

A mortgage pre-approval is a statement from a lender indicating that you qualify for a certain mortgage amount, based on an evaluation of your creditworthiness and financial situation. It gives you a solid idea of what you can afford and shows sellers that you're a serious buyer.

Pre-approval can put you in a stronger position when you're ready to negotiate with sellers. It demonstrates that you've already begun the mortgage process and that a lender is willing to finance your purchase. This can give sellers confidence that the sale is more likely to go through if they accept your offer.

A pre-approval doesn't commit you to a particular lender, but it does enable you to understand and establish your budget.

Use your pre-approval to narrow your home search to properties within your price range. Having a clear budget can save you time and prevent the heartache of falling in love with a house you can't afford.

Pre-approvals often expire after 60 to 90 days. If you haven't found a home within this timeframe, you'll need to submit updated documentation to renew your pre-approval.



Searching for the *Right property*



Determine Your Must-Haves and Deal-Breakers

Before you start looking at houses, make a list of your non-negotiable features. These could range from factors such as the number of bedrooms and bathrooms to the type of neighborhood, or even proximity to specific amenities like schools or public transportation.

Research Neighborhoods

Consider factors such as school district quality, crime rates, and the availability of local amenities. The commute to work or accessibility to family and friends should also play a significant role in your decision. Try visiting the neighborhood at various times of the day and different days of the week to get a genuine feel for the community.

Utilize Online Tools

Take advantage of the numerous online platforms that offer listings and virtual tours. These resources can help you save time by filtering out properties that don't match your criteria. This allows you to focus on scheduling in-person viewings only for homes that meet your requirements.

Searching for the *Right Property*



Take Notes During Viewings

During house viewings, be sure to take notes about each property. It's easy to mix up details after seeing multiple homes. These notes will be invaluable when comparing features and making decisions.

Keep an Open Mind

Remember, a house might not check off every item on your wishlist but could still be a great fit for your needs. Keep an open mind and consider the potential each property holds.

Be Patient

Finding the right home often takes time. Avoid the temptation to rush into purchasing a property that doesn't feel quite right. The market is dynamic, with new listings appearing regularly, so remain patient if your ideal home doesn't materialize immediately.

Searching for the *Right Property*

Viewing Homes

Viewing homes in the DFW market is a service provided to you by your real estate professional through our showing platforms, ShowingTime or BrokerBay.

All showings must be scheduled through these platforms and approved by the seller before we can access a property for you to tour. This process is designed to protect the seller's home, the showing agent, and you as the potential buyer.

While many buyers believe an agent can unlock a property "on demand," this is rarely the case. Showings almost always require prior approval. Additionally, many sellers request advance notice; sometimes one to two hours, and often 24 hours before allowing entry, especially in light of recent health and safety precautions.

There are exceptions. Certain companies, like OpenDoor, allow buyers to access homes without an appointment. If we come across these properties, I will let you know. In many cases, we can schedule quickly with little to no wait, but please understand this may not always be possible and is not within your agent's control.

As your real estate professional, I value your time and will always work to schedule showings as quickly and efficiently as possible to accommodate everyone's schedule. Remember, we're working together toward the same goal, finding the right home for you!

Understanding The Market

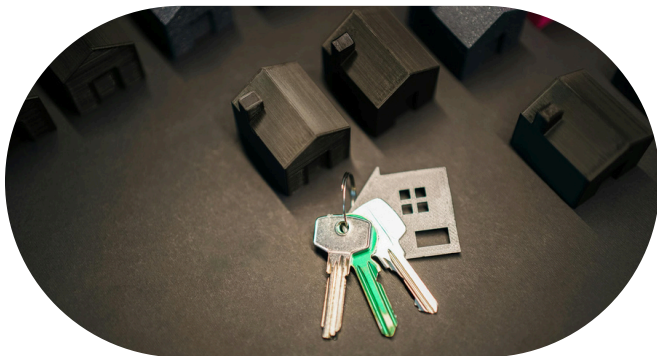
Market Trends:

To strategize effectively, it's important to understand the current local market trends. Are the prices of homes in the area on an upward or downward trend? Determine whether it's a buyer's market, characterized by a surplus of homes compared to buyers, or a seller's market, with more buyers than available homes.



Inventory

Examine the number of homes available for sale in the vicinity. A scant inventory could lead to increased competition among buyers, whereas a more abundant inventory may grant you greater leverage in negotiations.



Days on Market

This metric indicates how long homes typically remain on the market before being sold in the area. A lower figure may suggest a hot market where homes are selling swiftly, whereas a higher number could point to a slower market.

Sales Prices vs Listing Prices

Investigate whether homes are generally selling above or below the asking price. This information can provide a gauge on the potential scope for price negotiation.

Local Economy

Lastly, consider economic indicators such as the job market, average income, and signs of economic progression or recession. These elements can impact the real estate market, affecting property values, housing demand, and your future resale prospects.

A bright, white interior space, likely a dining room or breakfast room. The room features a large, ornate chandelier with multiple light bulbs and crystal accents hanging from the ceiling. Below the chandelier, there are two windows with stained glass panes depicting birds. A large white door or window opening provides a view of a green lawn and a white fence. In the foreground, a white dining table is partially visible, surrounded by white chairs. To the left, a white sofa with a patterned pillow is visible. The floor is made of light-colored wood planks. The overall atmosphere is clean, bright, and elegant.

*Art
of
Pricing*

Offering a Price for a Home

Deciding on an offer price can be one of the most nerve-wracking stages of the home-buying process. It's a delicate balance between securing a good deal for yourself and presenting an attractive proposition to the seller. Let's break down the strategies to make your offer stand out:

Market Research is Your Compass: Before making an offer, it's essential to study recent sales of comparable homes in the area (often termed "comps"). This research will give you a clear understanding of the current market value, which should guide your offer.

Know Your Budget: It's easy to get carried away, especially for a property you love, but it's critical to know your financial ceiling. Remember, homeownership entails additional expenses such as property taxes, utilities, and maintenance.

Consider the Home's Condition: The state of the home can significantly influence your offer. Has it been recently updated, or does it require substantial renovations? These factors should affect your initial bid.

Understand the Seller's Position: The duration a property has been on the market can indicate the seller's willingness to negotiate. If the home has been listed for several months with little interest, the seller may be more receptive to lower offers.



Navigating the Art of the Deal

BE COMPETITIVE, BUT REALISTIC:

In a seller's market, low-ball offers might be immediately dismissed. While everyone appreciates a great deal, it's crucial to ensure your offer is competitive, considering the current market dynamics.

Seek Guidance from Your Real Estate Agent: Leverage your agent's expertise. With their keen understanding of market trends, they can provide essential advice on crafting an effective offer.



CONSIDER INCREMENTAL NEGOTIATIONS:

A seller may not accept an initial offer outright, so brace yourself for some negotiation. Determine your strategy for counteroffers beforehand and decide at what point you're ready to walk away.

As a prospective homeowner, your offer is a significant initial step in securing your claim to a property. A well-researched, thoughtful, and respectful offer sets the stage for a smoother negotiation.



Property Surveys: Why and What?

A property survey, at its core, is akin to a detailed map. It delineates the boundaries, structures, and significant features of a property. Consider it a comprehensive blueprint that delineates every essential element of your land.

Unearthing Hidden Issues

Whether it's an obscured old structure or a neighbor's shed encroaching on the land, a property survey brings to light any discrepancies between the property's current state and its official records.

A Necessity for Development

Dreaming of adding a pool or expanding your home? A property survey is indispensable. It can delineate where you're permitted to build or modify, ensuring your renovations comply with local ordinances and zoning regulations.

Influencing Value

The characteristics, anomalies, and restrictions highlighted in a survey can influence a property's market value. Being aware of these details can equip you with leverage during price negotiations.



Protecting Your Investment

Buying a property is a monumental investment. The survey acts as an insurance policy, ensuring you're well-acquainted with every facet of your purchase, eliminating unforeseen surprises down the road.



Home Appraisal Process

An appraisal is a professional and unbiased estimate of a home's value.

It is conducted by a licensed appraiser who assesses the property based on a combination of factors, including its physical features, the value of comparable homes in the vicinity, and current market trends.



Lender Requirement

Most mortgage lenders require a property appraisal to ensure that the loan amount they're offering aligns with the property's actual value. This safeguards them from lending more money than the property is worth.

Buyer Protection

The appraisal also acts as a protection mechanism for buyers. It ensures that you aren't overpaying for a property.

Selection of an Appraiser

Once a property is under contract, the lender typically selects a state-licensed or certified appraiser to conduct the evaluation.



WHAT IF???

THE APPRAISAL COMES IN LOW?

If the appraisal value is lower than the offer, it can pose challenges. Options include renegotiating the price with the seller, challenging the appraisal, or, in some cases, the buyer might opt to cover the difference in cost.

THE APPRAISAL COMES IN HIGHER?

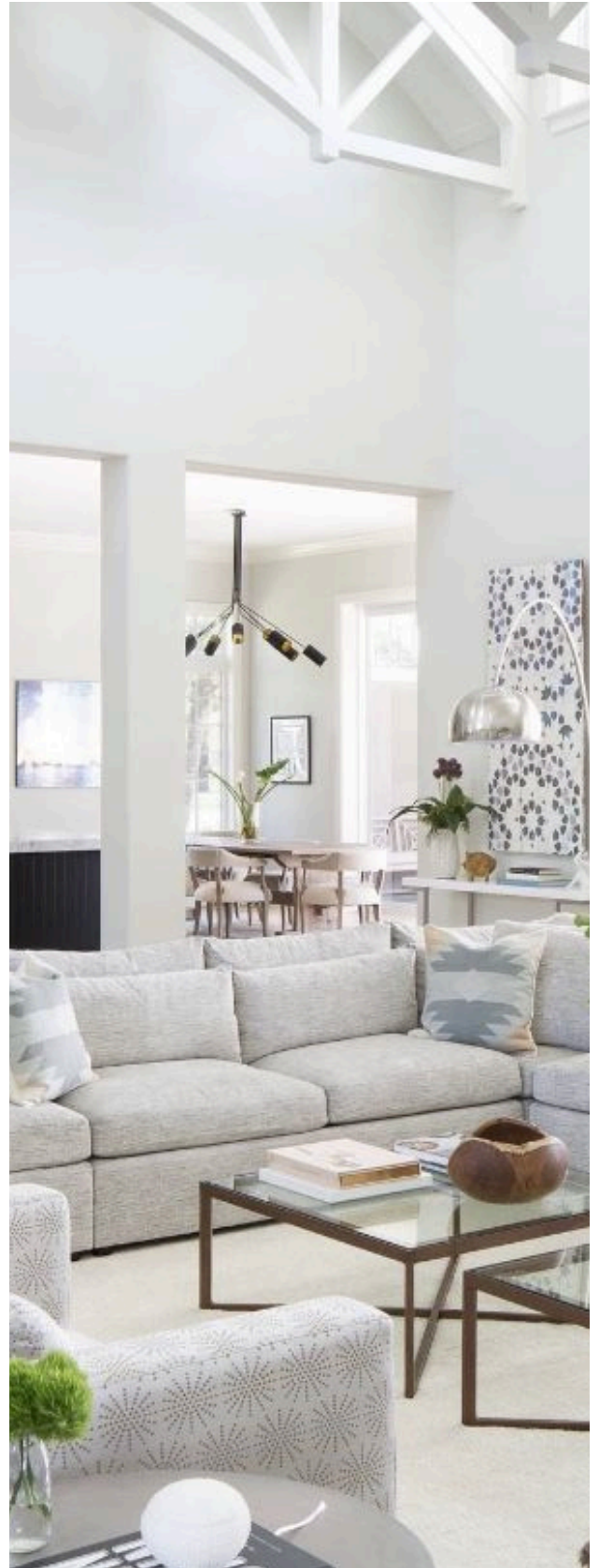
If the appraised value comes in higher than the offer price, it's a bonus for the buyer, indicating they might be getting a deal.

How to Understand Purchase Agreements

The Purchase Agreement is that critical document nestled within the heart of every real estate transaction. It might look daunting with its legal jargon and intricate clauses, but understanding it is imperative for every home buyer. Let's simplify the essence of a Purchase Agreement and help you navigate its contents with confidence.

Purchase Agreement

In the simplest terms, a Purchase Agreement is a binding contract between the buyer and seller, outlining the terms and conditions of the property sale. It ensures both parties understand their rights and obligations, setting the stage for a smooth transaction.



Role of escrow

Think of escrow as a neutral third-party guardian that holds onto something of value (usually money) during the transaction process. In real estate, it ensures that all parties play fair, holding funds securely until all conditions are met.



Security

With significant sums involved, you don't want to risk any foul play. Escrow ensures funds are released only when all the terms of the agreement are satisfied.

Peace of Mind

Knowing your money is in safe hands provides an added layer of comfort throughout what can often be a nerve-racking process.

Opening Escrow

Once you and the seller agree on the terms, an escrow account is opened with a neutral third party.

Deposits

The buyer places the agreed-upon earnest money into the escrow account, signaling their commitment.

Document Verification

The escrow agent verifies that all necessary paperwork, such as loan documents and inspections, is in order.

Closing the Deal

Once all conditions are met, funds are released to the seller, and the title of the property is transferred to the buyer.

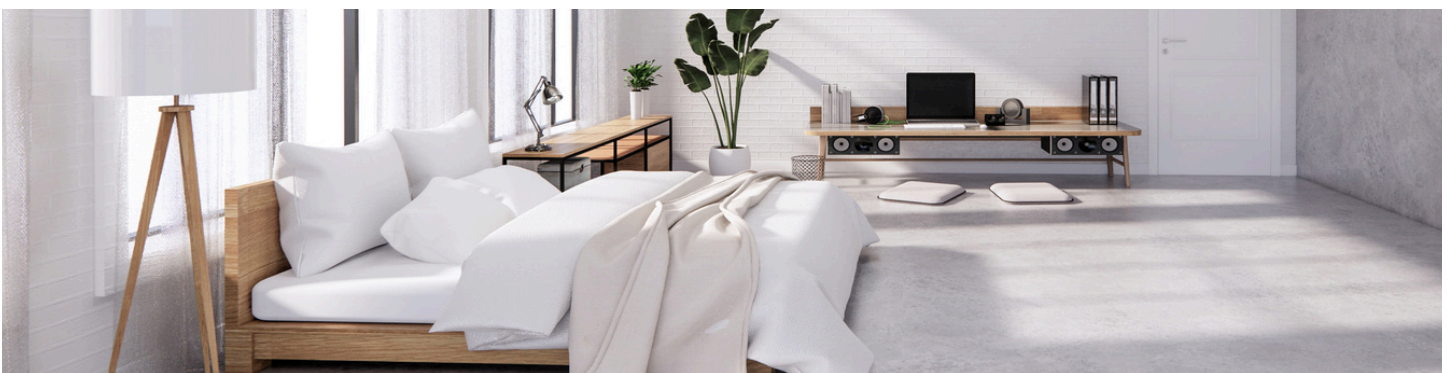
Understanding Closing Costs

As the climax of your home-buying journey approaches, you'll likely hear the term "closing costs." While your primary focus might be on the price of the home, these additional expenses deserve your attention too. Let's unwrap the mystery behind closing costs and those elusive hidden fees.



What Are Closing Costs?

Simply put, closing costs encompass a variety of expenses that are over and above the price of your property. These are incurred during the final stages, or "closing," of your real estate transaction. Typically, closing costs range from 2% to 5% of the purchase price.



Closing Costs



1. **Loan Origination Fees:** These fees are charged by your lender for processing your mortgage application.
2. **Appraisal and Survey Fees:** These fees cover the costs of verifying the home's value and determining the precise property boundaries.
3. **Title Insurance:** This one-time fee ensures the property is free from any potential ownership disputes.
4. **Home Inspection Fees:** This fee covers the cost of a professional inspection of the property's condition.
5. **Property Taxes:** Buyers often need to reimburse sellers for property taxes that have been prepaid.

1. **Private Mortgage Insurance (PMI):** If your down payment is less than 20% of the home's purchase price, you may be required to obtain PMI. It protects lenders in case a borrower defaults on their mortgage.
2. **Homeowners Association (HOA) Fees:** If your new home is within a community governed by an HOA, you may have to pay initial fees or dues.
3. **Credit Report Fee:** Your lender may charge you for the cost of accessing your credit report.
4. **Notary Fees:** There is often a small fee for the notarization of documents.

The Closing Process: What to Expect?

After months of searching, negotiating, and waiting, you're finally at the finish line: the closing process. It's the last hurdle before the keys to your dream home are in your hands. But what does this final stage entail? Let's demystify the closing process for you, step by step.



What is 'Closing'?

Closing, sometimes referred to as "settlement," marks the formal conclusion of the real estate transaction. This is when property ownership is transferred from the seller to the buyer, and both parties fulfill the terms of their contract.

What Happens on Closing Day?

A lot! Here's a simplified breakdown:

- **Final Walkthrough:** This is your last chance to inspect the property and ensure any agreed-upon repairs have been made and that the property's condition hasn't changed.
- **Sign Documents:** Expect a sea of paperwork. You'll need to sign loan documents, the deed, and multiple disclosures. An attorney or a representative from the title company will be present to guide you.

Closing DOCUMENTS

The necessary documents for closing on a home may vary depending on your specific situation and location, but here's a general list of documents you can expect during the closing process.

PURCHASE AND SALE AGREEMENT

- This contract outlines the terms and conditions of the sale, including the purchase price, closing date, and any contingencies

LOAN ESTIMATE

- A document provided by your lender that discloses the estimated costs, fees, and terms of your mortgage loan

CLOSING DISCLOSURE

- A document provided by your lender at least three days before closing, detailing the final terms of your loan, including interest rates, monthly payments, and closing costs

MORTGAGE NOTE

- A legal document that serves as your promise to repay the loan according to the agreed-upon terms and conditions

DEED OF TRUST OR MORTGAGE

- Document that secures the loan by placing a lien on the property as collateral

TITLE INSURANCE POLICY

- Protects both the buyer and lender from any title defects, liens, or other issues that may arise after closing

PROPERTY SURVEY

- A document that shows the boundaries, dimensions, and location of the property, as well as any easements or encroachments



Closing DOCUMENTS

The necessary documents for closing on a home may vary depending on your specific situation and location, but here's a general list of documents you can expect during the closing process.

HOMEOWNERS INSURANCE POLICY

- Proof of homeowners insurance coverage for your new property, typically required by lenders before finalizing the loan

HOME INSPECTION REPORT

- A report detailing the findings of a professional home inspection, identifying any potential issues or necessary repairs

APPRAISAL REPORT

- An assessment of the property's value conducted by a licensed appraiser, usually required by the lender to ensure the loan amount is appropriate for the property's value

FLOOD CERTIFICATION

- A document that determines whether the property is located in a flood zone, which may impact insurance requirements and costs

TAX CERTIFICATES

- Documents that verify the property taxes have been paid and are up to date

TRANSFER DOCUMENTS

- These documents transfer ownership of the property from the seller to the buyer, including the deed and bill of sale



Closing DOCUMENTS

The necessary documents for closing on a home may vary depending on your specific situation and location, but here's a general list of documents you can expect during the closing process.

AFFIDAVITS AND DECLARATIONS

- Various legal documents that may be required depending on the specific transaction, such as a seller's affidavit or owner's affidavits

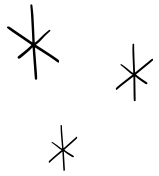
SETTLEMENT STATEMENT

- A document that itemizes all the costs and fees associated with the transaction for both the buyer and seller, detailing who is responsible for each expense

ADDITIONAL DOCUMENTS

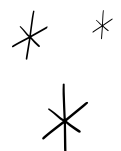
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NOTES

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