

Our Guide to Buying, Selling and Renting



RE/MAX
5 STAR REALTY



RE/MAX

5 STAR REALTY

4151 Hollywood Blvd.
Hollywood, FL 33021-6734

Call: 954.361.0000

1901 Harrison Street
Hollywood, FL 33020

Call: 954.361.1111

Agent Details

Name:.....

Phone:.....

Email:.....

ADVERT

4 ABOUT RE/MAX 5 STAR REALTY

6 SELLING YOUR HOME

20 GUIDE TO BUYING

38 ALL ABOUT RENTING

40 FINANCIAL ASPECTS

46 LEGAL ADVICE



RE/MAX 5 STAR REALTY

Whether you are buying or selling a home or just curious about the local market, our RE/MAX® agents are dedicated to making your real estate experience memorable and enjoyable. Our agents live, work and serve in our local communities and have the experience to get the job done in today's market. In addition to exceptional marketing strategies to help you sell your home quickly, we offer the latest technology to make the process of finding a home easier than ever. You will gain access to cutting-edge map search technology, our state-of-the-art mobile app, current market stats, and more.

We are eager to be your local resource for finding the home of your dreams. We would love the opportunity to connect you with the right agent for your unique needs. Please feel free to contact us today.



Years in business:
Established in 2016



Transaction sides per year:
680 Transactions (2020)



Number of agents:
56 and growing



Volume:
Over \$293 million (2019)
Over \$260 million (2020)

JOHN DEMARCO *Broker/Owner*



John DeMarco is a 25 year + resident of South Florida and started practicing real estate in 2005. His background includes Business administration, Senior Health care administration, and Business Law. DeMarco makes it his priority to offer clients national/international exposure, local expertise, and uncompromising customer service. His business was founded on building and maintaining strong client relationships while delivering the best results possible for his clients. He is the Broker/Owner of Re/Max 5 Star Realty, a thriving Real Estate firm with over 65 full-time real estate agents and two South Florida locations, and the DeMarco Real Estate Group, which is one of the highest producing Commercial Real Estate teams in the US and Motto Mortgage 5 Star Professionals a leading mortgage brokerage office.



ALEX BRUNO *Owner/Agent*

Alex Bruno is the Owner/Agent at RE/MAX 5 Star Realty, and a RE/MAX agent with over 16 years experience. He is a bi-lingual realtor (Spanish/English) that loves South Florida! As an experienced multimillion dollar producer, he also works through all of the programs offered by Fannie Mae and Freddie Mac, and is HUD certified. He has a strong network of home buyers and investors that look to him to find them great deals. He produces excellent results with agent referrals - domestic & internationally.

CHOOSING THE RIGHT REALTOR

You should be comfortable with your agent. It's important to interview your agent because you could be going for a roller coaster ride together in order to close.

How long have they been practicing Real Estate?

How many listings do they currently have?

How long have the listings been on the market?

What are the upfront fees including commission?

What kind of improvements would they suggest to improve the chances of selling the house?

What is their marketing approach?

What title company are they recommending?

SELLING YOUR HOME

Once you make the decision to sell your home, there are questions to consider. Should you go ahead and make repairs to the home or offer the new buyer an allowance for repairs? How should you stage your home? What improvements should you make? These are just a few of the questions to consider. We can help walk you through this process.

GETTING YOUR HOME READY

This is not simply throwing away old magazines and having a cleaning service come in for a deep clean. The idea is to prepare your home where a potential buyer can envision your home as their new house. To accomplish this, you need to think of your house as a marketable commodity rather than your home. Remove all emotion about your home from consideration. To get inspiration, try visiting a model home in your area. Builders spend a lot of time and money on interior design to optimize the appeal of a home for potential buyers.



TURN YOUR HOME INTO A MODEL HOME

When you visit a model home, you will notice that most of the rooms are devoid of specific personalities. Personal photos, collectibles, trophies, souvenirs and other personal items should be boxed up and put into storage. You are going to have to pack them up eventually when you move into your new home, so why not go ahead and take care of that now. Once you have those items boxed up, don't just store them in a closet, attic or the garage. Place them in a storage unit away from where potential buyers can see them.

After years of living in your home, it is common to form an emotional bond with items in your home. Excess items tend to collect on shelves, cabinets, in drawers, garages and attics. You may not realize it, but these items have a negative effect on your potential buyers' view of your home. Your potential buyers need to be able to see the walls. They need to see where their furniture is going to go. Take a step back and imagine you are the buyer. Ask a good friend to view your home and ask your agent to solicit feedback from viewings to know what you still need to remove. When in doubt, pack it up!

KITCHEN CLUTTER AND THE JUNK DRAWER

The kitchen is generally the heart of every home, so it is best to start there. Look at your counter tops. You will want to have those as clean and clear as possible. Yes, you may use the crock pot a couple of times a week and that toaster every morning, but your potential buyers will still see this as clutter. Store the crock pot and any other appliances not used on a daily basis below. Don't be scared of the closet monster for it can make you some extra money. Empty your closets out and make three piles. One for selling and/or donating, one for keeping and one for trash.

YOU'RE NOT A FURNITURE STORE

When viewing furniture in your rooms, try and think of that room as a hotel room. Just the bare minimums are best. A bedroom should have a bed and dresser and maybe a desk and chair if space allows. Just enough items for your daily living needs. Many people work from home nowadays. If your desk is loaded with paperwork and files, take the time to organize and file your paperwork away. Potential buyers come in all ages and life stages. Just because you have kids and your neighborhood is full of elementary aged children, don't assume your new buyers will have kids. What you see as a cute play area, others may see as junk.



GARAGE AND STORAGE CLUTTER

Once you get everything boxed up, don't just move it to the garage, basement, attic or closet. Potential buyers view these areas with just as critical an eye as other areas of your home. You're going to be moving anyway. Get those items into storage or make some money with a garage sale and get half the work done when it comes time to move out.

STAGING YOUR PROPERTY

The next step in preparing your home to sell is to do a thorough visual inspection of your home. Small imperfections can lead a potential buyer to question what other issues the home may have. You must disclose any known issues with the home to your buyer so it is often best to go ahead and address the issues before they can discourage an otherwise interested buyer. In addition, most home buyers use the services of a certified home inspector to search for issues that may not be obvious. You may want to hire an inspector prior to listing the home so there are no surprises that could potentially derail your sale. You can then provide a copy of the inspection report to any interested buyers as an additional piece of information to help them make a purchase decision.

DID YOU KNOW?
Staging can increase the value of your home!

ON AVERAGE 32% OF HOMES THAT HAVE BEEN STAGED SEE AN OFFER VALUE INCREASE. WE RECOMMEND STAGING WHENEVER POSSIBLE.
ASK YOUR AGENT!

CEILING AND WALLS

Inspect your ceilings and walls for paint stains, scuffs, crayon marks from kids, spider webs in the corner and make sure these issues are addressed before showing your home. If you see water stains, including paint or wallpaper that appears to be bubbling or peeling off the wall, you will want to take a closer look to determine if you have a water leak that needs to be corrected.

WINDOWS

Wash any windows that are too dusty or have fingerprint marks on them. Replace any windows that are cracked or broken. Next, it is time to whip out the WD40. Spray down any windows that do not open and close smoothly. Replace any latches that have broken off or no longer function correctly.

DOORS

Keep that WD40 handy and spray any doors that squeak when opening. Wipe down any scuff marks on doors. Make sure sliding glass doors and sliding closet doors move easily in their track.



PAINTING

Regardless of whether you have an old color scheme or just plain white walls, painting is one of the least expensive (if you do it yourself) and most effective things you can do to increase the WOW factor of your home.



FLOORING

Carpeting is often an item that new buyers replace when they buy an existing home. Since you are not buying the carpet for your enjoyment, there is really no need to invest in replacing your carpet unless it appears too old, dated or worn out. However, it is worth hiring a carpet cleaning service to give your carpet a touch up.

FURNITURE

Make sure your rooms are not packed with furniture. Store any excess furniture. That which remains should be clean and undamaged.

FIXTURES

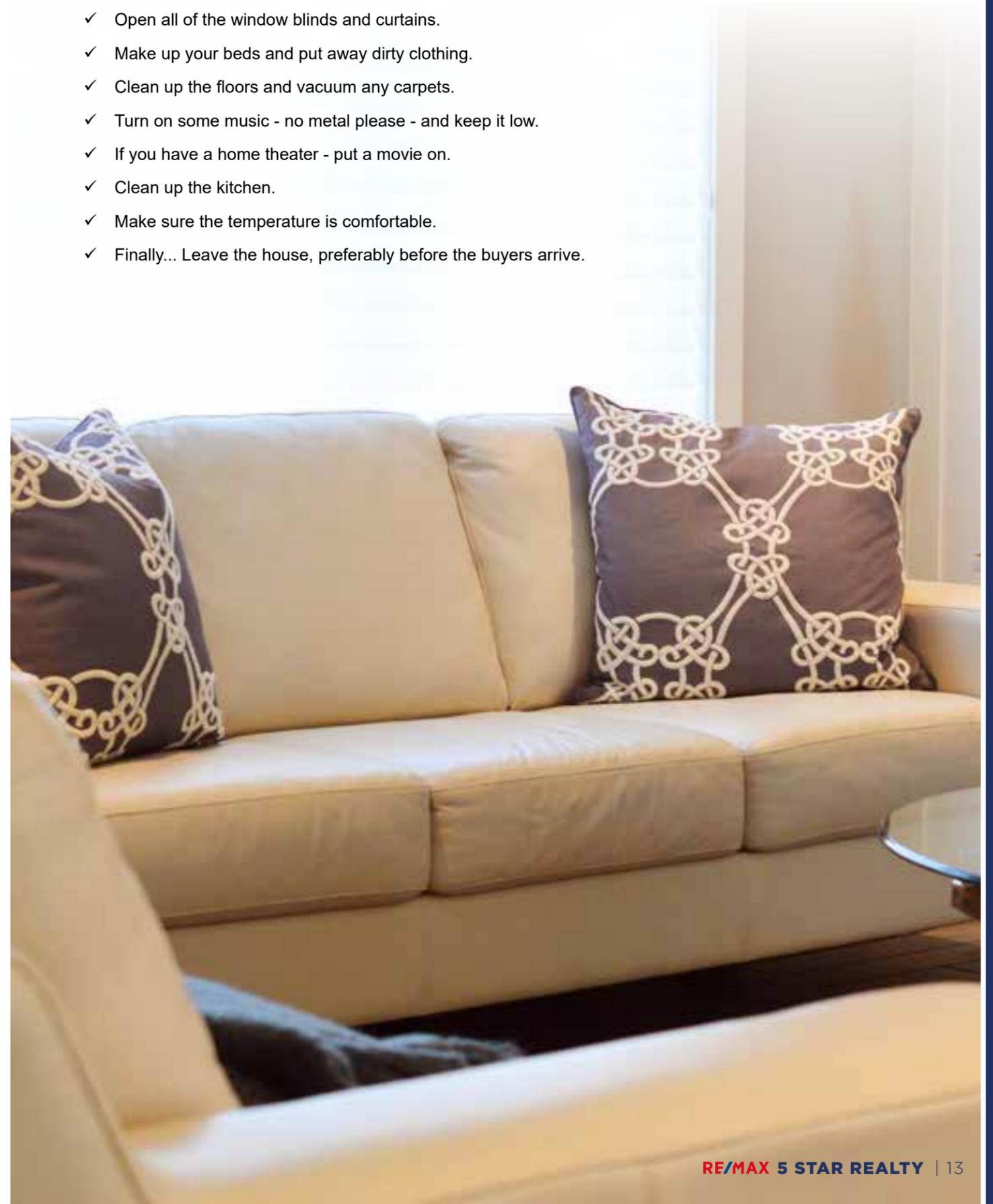
Home fixtures such as sink knobs and faucets, door and cabinet knobs and light switches should be cleaned so they appear as new. Replace any items that appear too worn or dated.

UNPLEASANT ODORS

It may not be noticeable to you as you are used to it, but pet smells and smoking inside create odors that are immediately noticeable to potential buyers when they walk in the door. Consider buying plug in odor eliminator products commonly found at your local grocery store and place them in various rooms throughout your home.

TO SHOW YOUR HOME IN THE BEST POSSIBLE LIGHT TO POTENTIAL BUYERS HERE IS A LIST OF RECOMMENDATIONS:

- ✓ Turn on all the lights in the home.
- ✓ Open all of the window blinds and curtains.
- ✓ Make up your beds and put away dirty clothing.
- ✓ Clean up the floors and vacuum any carpets.
- ✓ Turn on some music - no metal please - and keep it low.
- ✓ If you have a home theater - put a movie on.
- ✓ Clean up the kitchen.
- ✓ Make sure the temperature is comfortable.
- ✓ Finally... Leave the house, preferably before the buyers arrive.



EIGHT AFFORDABLE WAYS TO BOOST A HOME'S CURB APPEAL

Your home's curb appeal could be make or break for the amount of showings you have. In the same way curb appeal can attract potential buyers through your door, a less than spectacular home front can also be a detractor. From upgrading landscaping to refreshing paint, consider these eight affordable ways to boost your home's curb appeal and entice buyers to add your home to their "must see" list:



1. UPDATE OUTDOOR LIGHTING

An easy way to instantly add interest and depth to an outdoor space is to replace dated lighting fixtures with new ones. There are many lighting options on the market in a wide range of colors and styles. Most choices are quite affordable and you will be amazed at what a few dollars can do in upgrading the overall look of your outdoor space.

2. KEEP IT MOWED

A freshly mowed lawn is essential to boosting your curb appeal when trying to sell your home. Mowing your lawn on a weekly or 10 day basis will allow it to grow enough between mows so that you don't damage the grass. Make sure to also allow time for edging and clear away any clippings before your house is shown to potential buyers. Keeping your lawn in top condition is always a good idea to boost curb appeal.



3. FIX THE SMALL THINGS

Do a thorough look through your front porch to find any small issues that have gone unnoticed for years. Fix small things like a slit in the window screen, tightening the mailbox, or replacing a burned out lightbulb. Attending to these small things can add up when it comes to receiving an offer for your home.

4. ADD SOME FLOWERS

Pick up a few beautiful sets of flowers from the garden center and plant them in a pot next to the front door. Colorful flowers will add instant beauty to the space and welcome guests into your home. Consider adding a few different colors to help create an interesting and inviting atmosphere.

5. TRIM UP SHRUBS

Get out your shears and trim up bushes and plants that have overgrown their spaces. All you need is a little bit of elbow grease to freshen up your landscaping. Trim bushes into eye pleasing shapes with rounded edges and give every plant in your garden enough room to shine while still being a part of the overall landscaping picture.

6. TOUCH UP PAINT

You most likely have a can of leftover paint in the garage or basement. Use this to touch up areas of your house that could use a fresh coat of paint. Consider items like the mailbox, house numbers, or plant pots that have seen a few years since their last painting. If your front door needs some help consider painting it to add a fresh look to your home.

7. POWER WASH IT

You will be amazed by the amount of dirt a good power washing can lift from your home. Renting a power washer for a day is also a good and affordable way to add curb appeal to your home. Another affordable option is to consider borrowing one from a friend to save on expenses. Pay close attention to the outside of your home as well as gutters, patios, walkways, and patio furniture.

8. ADD SOME MULCH

Picking up a few bags of mulch at a garden center is a great way to add instant curb appeal to your landscaping. Mulch not only looks great but it also provides essential help to plants by helping to retain water as well as keeping weeds at bay. Simply add a few inches of mulch around trees and garden beds to instantly raise the overall look of your home.

There are many ways that you can instantly increase your home's curb appeal without breaking the bank. Consider ways that you can help your home for little to no cost. Doing any of these tips can help boost your home's resale value.

PRICING YOUR PROPERTY

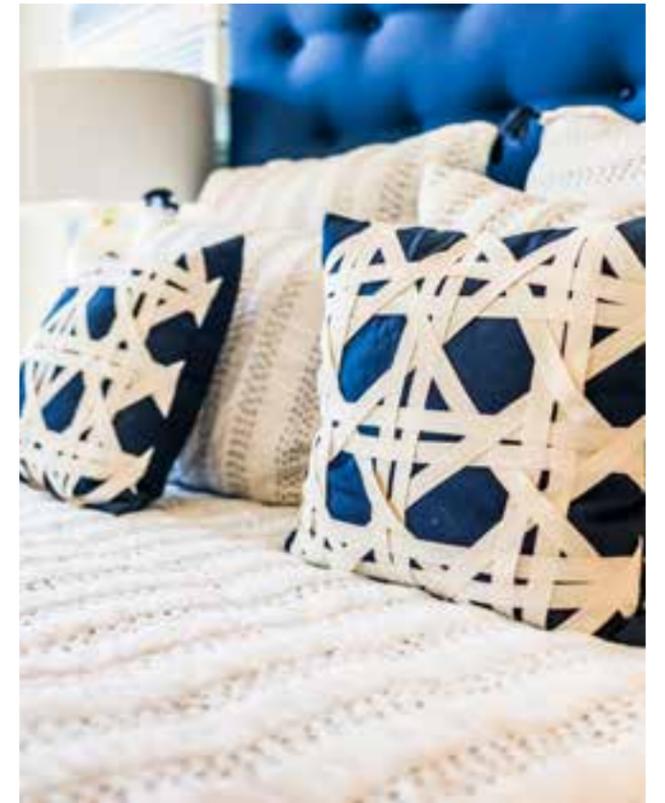
Once you have decided to sell your home, you will probably have a ballpark idea of what you think your home is worth. This number is usually based on what you paid for it, the costs of upgrades you have added and what the neighbors' houses sold for. While your estimated number could be either right on the mark or wildly off base, your real estate agent will have the proper tools to help you determine a realistic asking price.

WHY IS THE ESTIMATE SO LOW?

Often, the price you have in mind is going to be higher than what your home could realistically sell for. Your real estate agent will prepare a CMA (Comparable Market Analysis) to determine the value of your home as compared to the other homes in your area. Consideration is given to factors such as the size of your home and upgrades you have made. However, depending on what the upgrades are, they may not add much to the value of your home. A realistic real estate agent will price your home so that it will sell in the market that exists in your area today.

WHY IS THE ESTIMATE SO HIGH?

If you meet with three different real estate agents, you will most likely receive three different estimates on the value of your home. The difference can vary greatly, even though each agent will have created a CMA for you. Some agents will tell you what you want to hear regardless of what the realities of the market are. They may pull comparable sold homes from out of your area and inflate the value of your upgrades just to obtain your listing. Many sellers are tempted to go with the agent who comes in with the highest listing price. This can often be a mistake as your home will sit on the market and get few showings and fewer, if any, offers. After all, the buyer's real estate agent is going to know the realities of your market and will advise their clients on which homes to view and what the comparable home sales are in your area. If your home sits on the market too long, potential buyers may assume you are getting desperate, and you will start to receive low-ball offers. By overpricing initially, you could end up settling on an offer of a lower price than you would have received if you had priced your home correctly the first time.



WHICH IS FOR ME?

While at first glance it may appear that your real estate agent is taking a big chunk of your sales price, this is actually not the case. The commission you pay is actually split between your real estate agent and the buyer's real estate agent.

COMMISSIONS AND CLOSING

The commission amount a seller pays is normally a percentage portion of the sales price. The percentage rate generally depends on the level of service you want and expect from your real estate agent.

FULL SERVICE AGENT

A full service agent actively markets your property not only to other real estate agents, but to prospective buyers via MLS listing, website listings and traditional media advertising. They may market your home via open houses, being at your home when other agents bring potential buyers over to view your home, and upgraded selling features such as virtual tours. A dedicated agent will work with you to stage your home so it is shown in the best possible light.



CLOSING ON YOUR HOUSE

- Confirm the final read on all municipalities such as water, gas, electric and etc.
- Confirm all contingencies have been removed and are in writing by all parties.
- Confirm buyer has clear to close from lender, and their funds have been wired to the title company.
- Review any and all closing documents provided by the title company.
- Review any and all documents regarding payouts such as mortgage, property taxes, transfer tax, commissions, escrows, etc.
- Go to the title company and sign all the closing documents.
- Get your check and go to your bank and deposit it the same day.

ACCEPTING THE OFFER

Have your REALTOR® write down what is expected of the seller after accepting an offer. The following is a possible list of items that are important such as dates, contingencies, etc.

- What is the final due date for buyer to have provided evidence of mortgage application?
- What is the final due date for the buyer's earnest money deposit to be placed in escrow?
- What is the final due date for any and all home inspections?
- What is the final due date for both the seller's and buyer's attorney to review any and all documents pertaining to the sale of the property?
- What is the final due date for the seller to provide any and all documents to the buyer and or the buyer's agent?
- What is the final due date for buyer's clear to close from their lender?
- What is the final due date for the final walk through with the buyer?
- What is the final due date to close?



OUR TOP FIVE HOME SELLING TIPS

1. BATHROOMS AND KITCHEN

Make sure that your bathrooms and en-suites all feel clean and "spa-like" and make sure that you keep it smelling fresh. In the kitchen, try to clean away any food or unnecessary cookware to really show off your counter tops and fitted furniture. Create a homely feeling by baking fresh bread or cakes and brewing freshly ground coffee, this can be your secret weapon in securing a sale, as smells tend to help people remember a property.

2. ATTIC OR LOFT SPACES

Clean out any clutter and donate or sell all of the items you no longer need, unless it's an antique or collectible, you probably put the items in the loft because you weren't using them regularly. Try to let go of any junk to show off the storage potential of your property.

3. ALL ROOMS

Try to revert all rooms to their original purpose wherever possible. Potential buyers will not necessarily have the same needs or uses for the rooms in your home as you might have. It is always better to appeal to a generic buyer, for example: If the house started life as a five bedroom property and you've converted one room into an office or gymnasium that can be easily reverted then try to do it, as it may increase your chances of a sale as well as the value of the property rising with the added bedroom.

4. LIVING ROOM

Make the room look more spacious by removing a few pieces of furniture and putting away clutter. Remember that your taste may not match your potential buyer, sometimes bold artwork choices or ornaments can really put a buyer off as they can't picture themselves living in the property, always try to keep things neutral.



5. GARAGE

Firstly remove any lingering old junk and boxes. Try and clean up any dirt or grease spots and if possible improve the visual appeal by repainting your garage floor. Make room to assure the potential buyer that they can fit their car in the garage even if you don't park it there yourself.

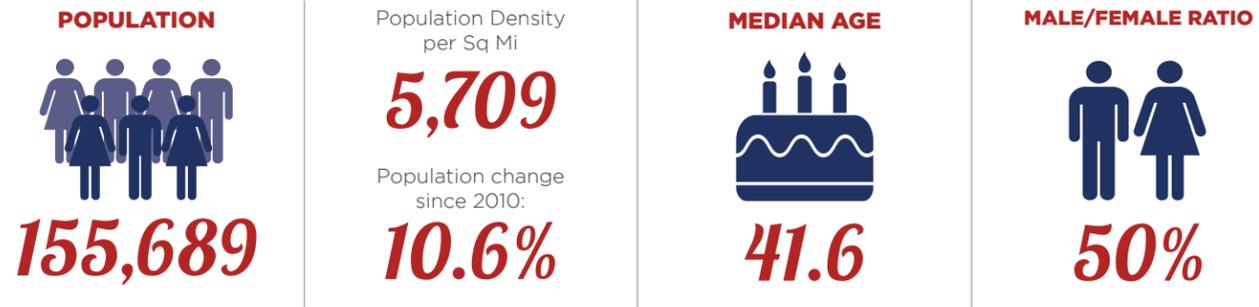


GUIDE TO BUYING

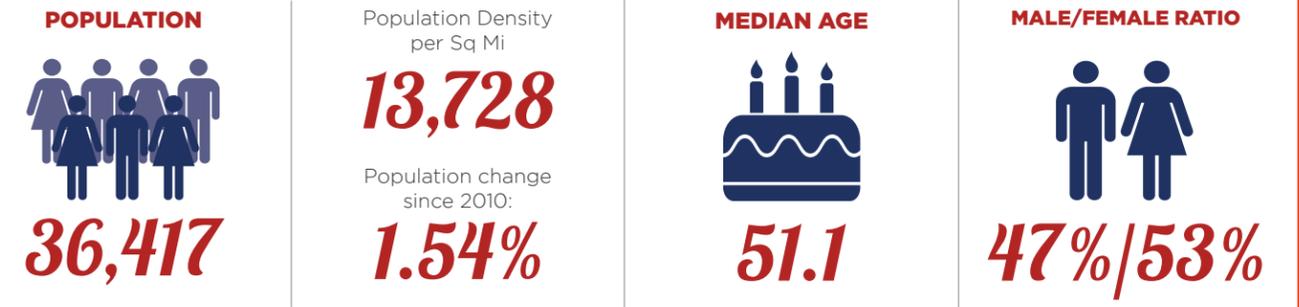
Buying a home can be one of the most exciting experiences of your life. This can be true whether you've purchased several homes or you're preparing to buy for the first time. With the right support system and the help of a trusted professional, you can make the most informed decisions.

AREA NEIGHBORHOOD REPORTS

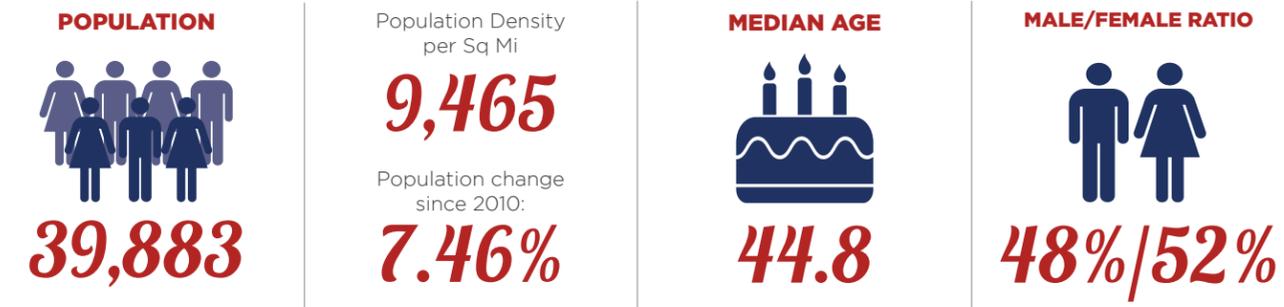
HOLLYWOOD



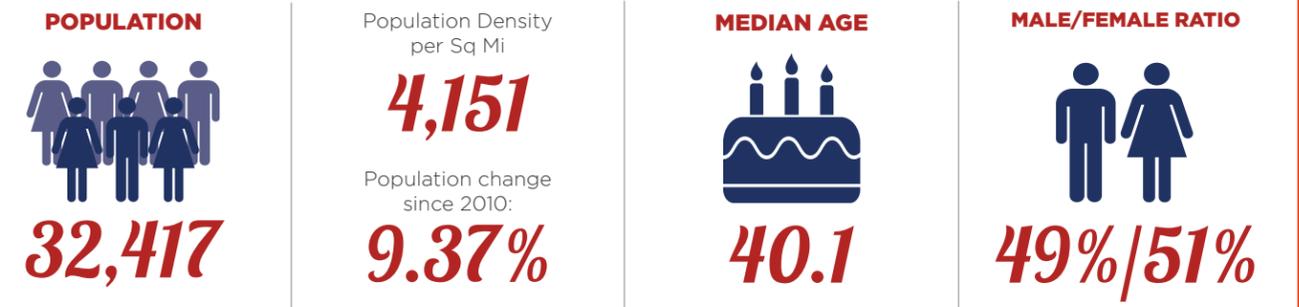
AVENTURA



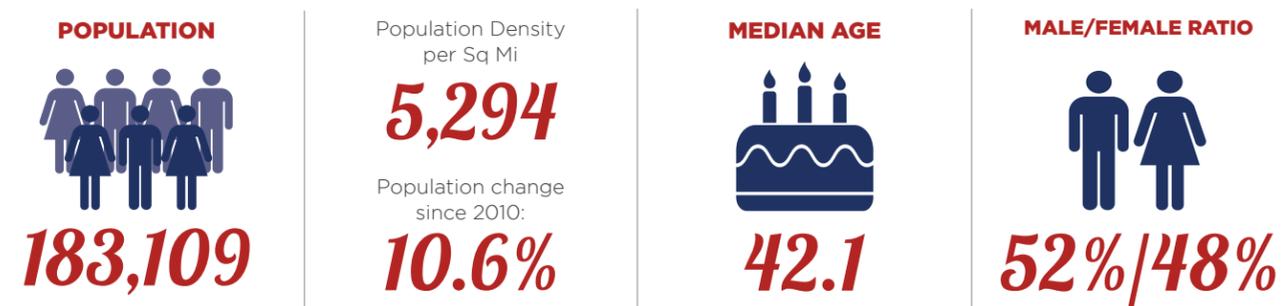
HALLANDALE BEACH



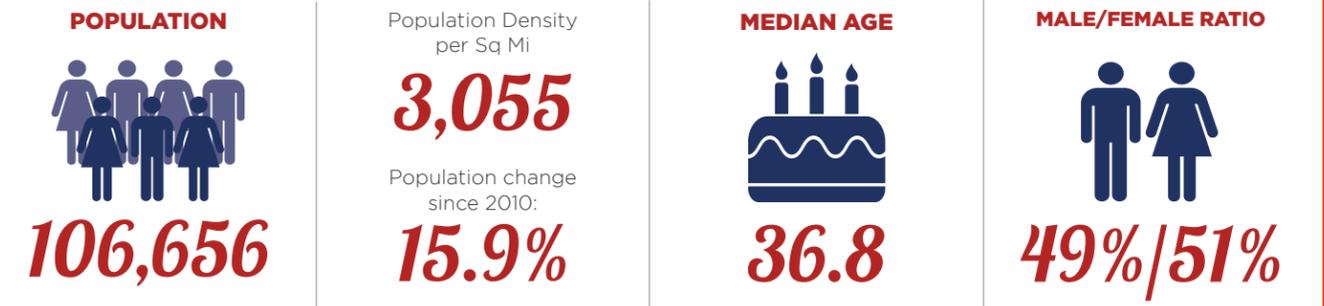
DANIA BEACH



FORT LAUDERDALE



DAVIE



AREA NEIGHBORHOOD REPORTS

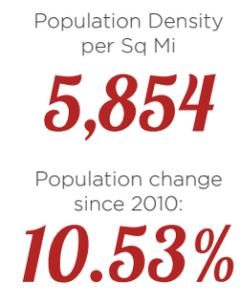
TAMARAC



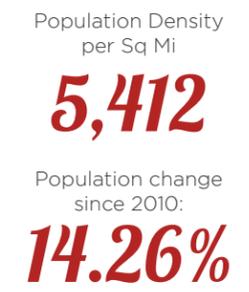
WESTON



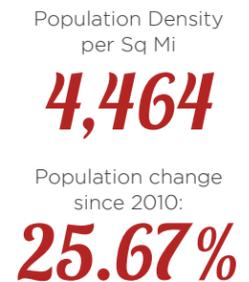
CORAL SPRINGS



PEMBROKE PINES



COOPER CITY



MARGATE



AREA NEIGHBORHOOD REPORTS

MIRAMAR



MIAMI GARDENS



WEST PARK



POMPANO BEACH



SUNNY ISLES BEACH





THREE TIPS FOR MAKING SMALL SPACES WORK FOR YOUR FAMILY

Small spaces aren't the traditionally sought-after spaces for growing families, but with more millennial parents choosing to live a minimal lifestyle - families are adapting to life in homes with less square footage. If your family is downsizing by choice, or by necessity, follow the tips below for creating a functional space that can support your growing family.

CHANNEL YOUR INNER MARIE KONDO

It's time to purge! Take a tip from tiny home enthusiasts who have chosen to live a simpler life - downsizing means committing to decluttering. Re-gift, donate and sell unwanted items. Eliminate multiples and only keep items that spark joy - and have your kids help.

EVERY ITEM HAS A HOME, EVERY SPACE A PURPOSE

Being thoughtful about what items stay in your family's space is just as important as figuring out where to store it. Families without the space for a designated playroom may want to consider where toys will be tucked away. Try rotating toys to save space, while helping kids get the most out of playtime.

GO VERTICAL

Some may say that floor space is the most valued space in a smaller home - but vertical is the way to go! Bookcases, coat racks and shoe trees are all great options for tiny spaces.

SIX DECISIONS TO MAKE BEFORE YOUR HOME SEARCH

In the market for a new home but have no idea where to start? There are several decisions you should begin to make before you even start your home search. By asking yourself the right questions, you can quickly pinpoint what you want - and can afford - in your next home.

1. WHAT'S YOUR BUDGET?

See how your finances stand up to the 28/36 rule, which lenders use to see what you can afford to pay each month. A financial advisor or your real estate agent can help you crunch the numbers. Going through the mortgage pre-approval process lets you know how much lenders will allow you to borrow - plus it helps you show sellers that you have the funds to backup your offer.

2. WHAT DO YOU NEED IN YOUR NEW HOME?

How many bedrooms or bathrooms do you need? What about a large kitchen, a home office or a playroom for the kids? How many cars need covered parking? It's critically important to ensure the home you select meets your family and lifestyle needs.

3. DO YOU WANT A CONDO OR SINGLE-FAMILY HOME?

Condos come with much less maintenance. You typically won't be shoveling snow in the winter or replacing the roof, but you'll likely pay monthly association fees to cover services and repairs in the community. Houses, on the other hand, come with more privacy and freedom to customize. They also come with full responsibility for maintenance.

4. HOW DO YOU FEEL ABOUT LIVING UNDER COVENANTS?

Depending on where you buy, you may have to pay homeowner association (HOA) fees in addition to your mortgage. There are benefits to HOAs, such as maintenance, community centers, and maybe even a pool or gym. But you also could be faced with more restrictive rules about the look of the outside of your home, down to the color of your front door, types of window coverings, and whether you can plant flowers in your yard.

5. WHAT SCHOOL DISTRICT DO YOU WANT TO BE NEAR?

Even if you don't have children in the house, local schools will affect your property value. Prospective homebuyers tend to search with education in mind. Do your research on the schools in the areas you'd like to live in.

6. SHOULD THE HOME BE MOVE-IN READY?

Ask yourself how much elbow grease you're willing to put into a home - or how much you'll pay someone else to do the work. Fixer-upper homes can be great after the work is done, but you'll want to figure out your renovation budget before you start your home search. A 203k home-renovation loan might be the right resource for you. If you're not ready for the extra financial commitment of rehabbing a home, or you can't or don't want to wait for remodeling projects to finish up, then a home that's move-in ready might be right for you.

After considering all these factors, you'll be ready to start the home search with a clearer picture of where you're headed. When that time comes, let a RE/MAX agent guide you all the way there.

FINDING YOUR DREAM HOME

When you find a home you like online, we suggest you mark it as a favorite. This helps you to keep track of the homes you like. It also helps us to take your selections and come up with ideas of homes that maybe you had not thought of. We like to have at least 48 hours notice prior to the actual date we will view the homes you have selected. This is because many homes are occupied and require an appointment. We find that selecting your best five or 10 properties to see works out best. Generally, seeing more than about eight homes in one session can be confusing to keep track of. If you have more to see, we can schedule it for the following day.

NEGOTIATING AN OFFER

So you have found the perfect home. What should your offer be? Often the answer is not clear-cut. Every house is unique and every combination of buyer and seller is unique. This is definitely not an area where one can say offer 20% off the asking price. It's just a lot more complicated than that.

Many factors should be considered going into your initial offer. Some factors you will know, like what the comparable properties have sold for. Some you will not know, like what the seller's bottom line is. The most important factor is the obvious market price of the house. The seller can ask for more or less than market. Depending on the seller's situation, market price may not be the most important factor. While the seller's objective is to get the most for their home, a decision to accept, counter or reject your offer may be affected by other issues unrelated to a market price such as what they owe on the home or how fast you can settle. Knowing this information might just translate into a better deal for you.



DEVELOP A STRATEGY

A negotiating strategy needs to be developed. If your first offer is accepted by the seller you will second guess yourself and wonder “should I have offered less?” The object is to engage the seller and begin a negotiation.

PUBLIC RECORDS

County public records are usually available online and can show other things that might work to your benefit. Many county clerks maintain a free access site for basic information about people and property which you can search for.

CASH IS KING!

Cash offers put you at the head of the class. The best advice for cash transactions is to add an appraisal contingency if there is any concern regarding value. Short of having the cash or knowing 100% financing is no issue, your position is greatly enhanced by obtaining loan approval before you even look at any real estate.

NEGOTIATING A REAL ESTATE SALE

Don't go in with a take or leave it attitude. Everyone needs to feel like they got something in the negotiation. Your initial offer should be part of an overall strategy. Going in too low may be counterproductive. An owner may dig in early and wind up costing you more than if you came in a little higher. In other words, don't tick off the seller if they have priced the home well.



TRUST YOUR AGENT

Having rapport with a trusted real estate professional can be an asset to you. Every home and situation is different and there are a whole host of other factors that may come into play. A real estate agent who is the local expert generally will have insight and local knowledge which can only work to your benefit. We sell homes every month of the year, so our knowledge is built to help you. We have built a system which includes many professionals who work together for you. We look forward to using our experience to work for you.

HOME INSPECTION

The first order of business is to get the home inspection completed usually within the first two weeks. If there are any issues with the property, we need to know those as soon as possible. If there are covered repairs, they will be completed professionally in a work-man-like manner prior to closing. If there are issues that cannot be remedied, we may have to cancel the contract. If so, we don't need to incur any additional costs for services.

WHAT TO EXPECT WHEN YOU'RE INSPECTING

A home inspection can be a nerve-racking part of the home-buying process - but it is also a vital step. Here are a few things an inspector may find that could add to the cost of a home - or save you from buying a lemon altogether.

1. LURKING CHARGES

Even though a home's electrical system may seem to function adequately, inspections can reveal safety issues. This frequently happens with old wiring that's corroded or outdated, or with new wiring that was improperly installed.

2. A FAILING GRADE

Poor grading, or a slope that drains water toward your house instead of away from it, can cause all kinds of problems such as flooded crawl spaces or basements, rotting walls and framing, mold and foundation damage.

3. TROUBLE ON TOP

Roofing materials don't last forever, and inspectors often find problems with aging materials that will soon cause problems. The scale of necessary repairs can range from needing to replace a few shingles to needing an entirely new roof.

4. MOLD

Especially in humid regions, mold can sprout anywhere moisture collects, like attics, basements and drywall around leaky pipes. If the inspector finds mold, a separate mold inspection may be required.

5. FOUNDATION FLAWS

As a home settles over the years, the foundation can shift. Symptoms include cracks in the drywall, uneven floors, and doors and windows that won't shut. While home inspectors can identify basic foundation issues, if they see something that seems structurally suspicious, they'll often recommend you call a foundation engineer to assess the situation.

6. NOT GOING WITH THE FLOW

Inspectors often find clogged or bent gutters, or gutters that channel water too close to the house, where it can cause damage.



How concerned should you be if any of these issues appear on the inspection report? An experienced REALTOR® will be able to translate the inspection and suggest remedies - or how fast you should run from a deal.

LOAN APPLICATION

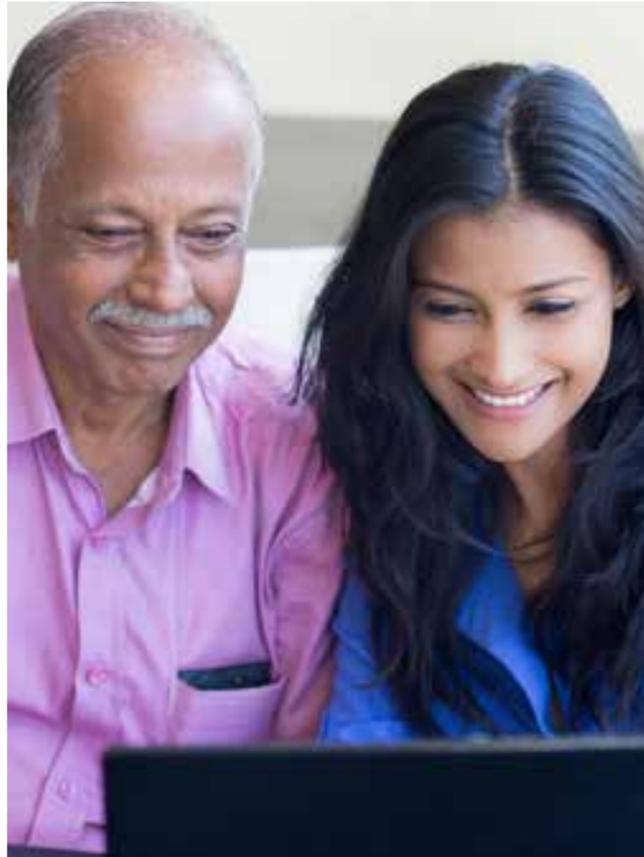
You will also need to make a formal loan application if a lender is involved. Usually this needs to occur within five days. Most likely you will need to meet with the lender in person to fill out the real estate mortgage paperwork involved. The lender will need a copy of the contract which we are happy to provide. They will probably collect for a credit report and/or loan application fee. They also take care of ordering an appraisal but this does not usually occur until you have been approved from a credit standpoint.

REPAIRS

We need to give the seller ample time to address any of the appropriate issues found. If for any reason we need to cancel a contract because the seller does not wish to pay for repairs beyond the contract limits, we want to know this as quickly as possible. This is to prevent expenses like an appraisal, survey, or title search to being incurred should the contract need to be canceled.

HOME OWNER'S INSURANCE

We recommend that you do not wait until the last minute to obtain a homeowner's policy. What we find is that it may take up to two weeks to shop around and get the most affordable policy. Insurance carriers are constantly re-evaluating their exposure to the marketplace and overall risk. In other words, the company that gave the best rates last year may not even be writing policies in a given area or segment of the market today.



CLOSING ON YOUR HOME

One week prior to settlement, you should call the utility companies and begin the process of having them transferred into your name. There are different utility companies that service the various locations depending on where your new purchase is located. We can help provide you with the contact names and telephone numbers you will need.

We will also want to have a "final walk through" at the property just before closing. This is to make sure everything at the home is as expected. We will also check to insure (if appropriate) that all systems are working as expected and that items to be conveyed per the terms of the contract are in place. We will also want to make sure any repair work is completed and that the key is removed from the lock-box to prevent access by anyone with lock-box only access.

What we strive for is for no outstanding issues at closing. Our belief is for closing to be a paperwork event only, with the exchange of keys and money only. If there are issues at the walk through, we will notify the listing agent and get those resolved before we close.

BEFORE THE MOVE

Once you determine exactly what you are bringing with you, calculate the number of moving boxes needed. We recommend starting with all of your non-essentials (everything you won't need during the last month in your home) first. As the weeks progress, move room-to-room and pack as much as you can. Don't forget to label your boxes.

FORWARD YOUR MAIL

Several weeks before you move, notify USPS of your upcoming change of address. All you have to do is go to USPS.com and choose the date you wish to begin forwarding your snail mail.

SAVE ALL MOVING RECEIPTS

Save all moving receipts for three reasons: First, By donating your things to Goodwill or Habitat for Humanity, you may be able to deduct a portion of the value of these donations against your income tax. Second, if you're relocating for work, you may be able to deduct moving expenses from your taxes come tax season. For more information on moving expenses and taxes, read the IRS's information sheet. And third, if your company plans to reimburse you for the move, you'll need to show HR all of the receipts in order to get your money back.

NOTIFY UTILITY COMPANIES

Unless you want to walk into a house with no electricity, I suggest notifying the new utility companies of your upcoming move. This way you'll have all utilities up and running within the first week of moving in. You'll also need to call your current utility companies to make sure your cable, electricity and gas are turned off the day after you move out.

SCHOOL

Moving with school-age children? It's never too early to start thinking about schools in the new town. There are lots of resources online to help guide you towards the best ones for your children.



CHECKLIST

FOUR WEEKS TO GO

- File a change of address form with the post office.
- Notify creditors and subscription services of your new address.
- Research doctors and dentists in your new location.
- Set aside items to be sold or donated. Have a garage sale.
- Arrange time off at work.
- Buy moving supplies like boxes and tape etc.
- Inventory your items. Assign a value to them all.
- Arrange utility services to be turned on/off at your new and old homes.
- Notify your child's school of your impending moves.

THREE WEEKS TO GO

- Make a list of important names and phone numbers you'll want to remember.
- Make a plan for moving pets and plants.
- Make arrangements with your bank, including moving your safe deposit box.
- Review your home insurance to see if moving is covered.
- Transfer your insurance to cover your new home.

TWO WEEKS TO GO

- If shipping a vehicle, clean it out and have fluids topped off.
- Start packing.
- Make travel arrangements.
- Arrange for appliance servicing.
- Dispose of hazardous/flammable items like gasoline, bleach and aerosol cans.
- Discontinue newspaper delivery, trash pick-up, lawn service, etc.

ONE WEEK TO GO

- Arrange for driver payment at your destination.
- Set aside valuables and personal items that will travel with you.
- Drain fuel from gas-powered equipment like lawn mowers.

THE DAY BEFORE YOU MOVE

- Set aside a specific move-in box full of items you'll need immediately at your new home. This contains items like towels, paper plates, and a vacuum cleaner etc.
- Make sure everything is packed.
- Have important documents related to the move ready.
- Defrost and clean your refrigerator.

MOVING DAY

- Plan to be at the home when movers arrive.
- Your driver should have a utility parts box to ensure all loose parts are together and easy to access at your destination.
- Take a final walk-through of your home to make sure nothing has been overlooked.
- Sign the Bill of Lading, electing your valuation protection coverage and double checking that your new address and phone numbers are correct.
- Lock all doors, windows, and turn off all switches.
- Try to arrive early to verify that utilities are connected and working.
- Be ready to provide payment to your driver.
- Unpack and get settled in your new home.

IMPORTANT CHANGES OF ADDRESS

- Utilities
- Electricity
- Gas
- Water
- Cable/Internet/Phone
- Cell Phone(s)
- Trash

FINANCIAL

- Employment (HR/Payroll)
- Banks and Credit Cards
- Loan Agencies (Mortgage, Auto, Student, etc.)
- Insurance (Auto, Medical, Home, Dental, Life, etc.)
- Investment Broker

GOVERNMENT

- Social Security
- Department of Revenue
- DMV (License Registration)
- USPS Mail Forwarding
- Voter Registration
- Business License Office (If you operate a business from home)

MEMBERSHIPS

- Professional Associations
- Magazines/Subscriptions
- Gyms
- Churches
- Community Groups
- Alma Maters
- Civic Organizations
- Licensing Boards
- Other Extracurricular Activities

SERVICES

- Home (Lawn, Delivery, Housekeeping, etc.)
- Childcare (School, Daycare, Babysitter, etc.)
- Doctors
- Lawyers
- Accountants
- Vet/Groomer

OTHER

- Business Cards
- Friends/Family





FOR RENT

ALL ABOUT RENTING

If you're thinking about letting out your home, there are a number of important factors to consider before putting it up for rent. From practical advice to legal responsibilities, our handy guide has got you covered.

DO YOUR RESEARCH

First things first, get to know your market. Take a look at similar homes to yours in your local area and find out how much they are being let for per month.

If your rent is set too high, or too low, prospective tenants will steer clear. Think about your target demographic and consider who your property would be suitable for - young families, students, single professionals? Once you've done your homework, set a competitive price and aim to keep it filled at all times to minimize rental voids.

PREPARE YOUR PROPERTY

Before you make your property available to rent, you'll need to decide whether to let the house as furnished or unfurnished. Personal belongings or items of value should be removed from the property, and be sure to clear out anything that is old and tired, not fit for purpose or an 'acquired taste'.

A property that offers a blank canvas is often more appealing to prospective tenants. Neutral colours will allow renters to picture themselves living in the space, and will also make the property easy to maintain at each check-in/check-out. And don't forget the exterior of the house - general sprucing of outdoor spaces will make the property more attractive to renters.

Think about hiring professionals to give your home a deep clean. Professional cleaners will scrub everything from the windows to the oven - they'll even get down behind radiators.

Make copies of any keys that a tenant may need for windows and doors, or for gas and electricity meters. It's also a good idea to dig out instruction manuals for the boiler, alarm system, cooker and any white goods, so the tenant has them to hand as soon as they move in.

SORT OUT INSURANCE

It is very important that your current buildings and contents insurer is made aware of your intention to let your property, as your policy may need to be amended. Consider arranging landlord insurance, which will cover any financial losses connected with your rental property. Whilst landlord insurance isn't a legal requirement, it is advisable as the policy will protect the building, your tenants and your investment as a whole - some will also pay out if your tenant misses their rent payments. Whether you're a first-time landlord or have let properties before, there are some things every landlord should know. Regulations change often which means that not checking the rules, can result in a landlord unwittingly breaking the law.

Make sure you understand your obligations and responsibilities as a landlord, and how to protect your property, keep your tenants happy and deal appropriately with any issues as they arise.

KNOW YOUR RESPONSIBILITIES

The decision to rent your home will mean that you go from being a home-owner and occupier to a landlord, and with your new status, comes great responsibility. In the first instance, check that your mortgage allows you to let out your property, as some agreements contain caveats to prevent homes from being rented. If you are unsure, speak to your mortgage lender and they will be able to advise you accordingly.

LEARN THE LEGAL STUFF

When it comes to being a landlord, there are more regulations to comply with than you may think. For some reason, many investors choose not to educate themselves on fair housing laws, and there can be serious implications if you violate them. There's no excuse for not educating yourself on the laws in the real estate industry.

CHOOSE THE RIGHT REALTOR

It is important to use an expert who follows best practice, meets all requirements of the profession and works to industry standards. We are experienced and trained professionals who work to a code of practice in order to help landlords manage their homes.

Not only will we advertise your property for you, deal directly with the tenant on your behalf and complete all relevant paperwork, giving you peace of mind throughout the letting process.

FINANCIAL ASPECTS

Mortgages are generally available for purchases up to 70% of the property's value depending on the state in which the property is located. Most are on a repayment basis, the maximum term is 30 years, and interest rates and loan terms tend to vary depending on the property type and exact location.

Unless you have a close relationship with a banker, you should talk with a local mortgage broker. The reason it is important to talk with somebody local is that some states can be different enough that an out of town lender may not be well versed in the issues around a local home mortgage.

INTERNET LENDERS

We have seen in recent years several transactions collapse in the final week because some Internet lender did not do something required to get the transaction closed. Many quote fantastic rates but often times cannot deliver. If any issues come up during the transaction we may have a difficult time getting them solved. There is nothing worse than having gone through the process only to find an issue in the 11th hour. This is why we suggest going with those lenders with local knowledge.

LOCAL MORTGAGE BROKERS AND LENDERS

We work with several lenders on a regular basis. We only work with lenders who have a proven track record of treating our customers professionally and who are competitive. We would not send our customers to some one that has substandard service or cannot perform as promised. In other words, we have an ongoing relationship based on their performance in the past. You are not obligated to use any of them but they are a good first place to start. If you have someone in mind that you would like to use that's great! Just let us know who and we're happy to work with them. Who knows, we may recommend your lender to a future buyer if they meet our standards.

KNOW YOUR PRICE RANGE

Our objective is to find out what you can afford, what closing costs may be required, the type of loan best suited to your situation, and the all important pre-approval letter that we will need for any offer we may write. Finding your upper limit also gives you peace of mind knowing the homes we look at within your budget. We also understand that even if you can afford more, it sometimes makes sense to set a self-imposed limit lower than what the lender says. It makes a lot of sense to shop around a little bit but we can do that after we find a house.

BECOMING AN ALMOST CASH BUYER HELPS

When it comes to making an offer that is contingent on financing, having a lender approval letter from a local lender gives you the advantage of being the closest thing to a cash buyer as possible. You are giving the seller an assurance that if they commit to your offer and take their home off the market, the probability is very high that a closing will occur.

The approval will also spell out the terms of your loan which need to be incorporated into the offer we make. Terms can include interest rate, the type of loan, down payment, the amount of time the lender requires for approval and closing costs. These items are required to set limits in the contract of what you are paying. This way, if rates were to jump before you lock in, you have the option to evaluate your decision to proceed.





SEVEN BUDGETING TIPS WHEN SAVING FOR A DOWN PAYMENT

Saving enough money for a down payment can be challenging, but some discipline and a plan may help bring you closer to homeownership. Here are some tips to get you started.

1. TRACK EVERY DOLLAR

Find out exactly where your money goes each month by keeping track of every single item or service you purchase over 30 days. Review your credit card and bank statements to categorize where you spend each dollar.

2. RATE EVERY PURCHASE

Using the month of expenditures, rate each item or service you bought as a “want” or a “need.”

3. SET SAVINGS GOALS

Using your “wants” and “needs” list, determine where you can realistically cut spending. Use the budget to set monthly and yearly savings goals.

4. SET ASIDE FUNDS

Create a separate savings account for your down payment. It’s not only easier to track, but blocking off the funds may make you think twice before dipping into that money for something other than your future home.

5. SAVE AUTOMATICALLY

If you are paid through direct deposit, chances are you can split your paychecks into more than one account. Set it up for regular deposits to be made into your new “down payment” savings account.

6. SAVE YOUR TAX REFUND

The IRS estimates that more than 150 million tax returns will be filed this year. Save your tax refund and apply it to your down payment.

7. MAXIMIZE YOUR RETURNS

Once you have a bit of money saved, talk to a financial professional about places you can invest it to get a bigger return than you would by keeping it in your savings account - perhaps a money market account or a Certificate of Deposit (CD).



FINANCIAL FAQs

WHAT DOCUMENTS WILL I NEED TO APPLY FOR A MORTGAGE?

Documents needed for getting a mortgage are pretty straightforward. Other than having satisfactory credit, the lenders typically care about your income and down-payment for buying a home or equity in your home if you are refinancing. Thus, if you are buying a home, the lender will need 30 days worth of pay stubs, last two years W2s and tax returns, driver's license along with two months complete bank statements to verify assets being used for down-payment.

WHAT IS A GOOD INTEREST RATE ON A HOME LOAN?

Determining what is a good interest rate on a home loan depends on your credit scores and whether or not you want the loan with the lowest closing costs or the lowest rate. It is important to speak to a local mortgage broker that will take the time to analyze your short and long-term goals for the home loan that you are applying for. Typically, if you are planning on keeping a mortgage short-term then it makes more sense to take an interest rate that has little or no closing costs associated with it.

WHAT IS THE APR ON A MORTGAGE?

The APR on a mortgage is the true cost of a loan your mortgage payment is based on your note rate that is always lower than the APR. For instance, if there are no discount points associated with a mortgage rate then the APR will be very close to the note rate. However, if you are paying discount points then the gap between the note rate and the APR increases depending on the number of discount points or origination fees associated with the instant rate. A lot of online advertisements focus consumers attention on the note rate rather than the APR. Consumers should pay particular attention to the fine prints when shopping for the lowest APR/mortgage rates.

ARE HOME EQUITY LOAN RATES DIFFERENT FROM MORTGAGE RATES?

Yes. Home equity loan rates are most often tied to the prime rate and depending on market conditions can be lower or higher than 30 year fixed mortgage rates. Also, home equity loan rates are typically adjustable rates that fluctuate monthly. If you are looking for home equity loan rates that are fixed, chances are that the rate will always be higher than a traditional first lien fixed mortgage. When it comes to home equity loans, your best bet is to deal directly with a local bank as they offer the best no closing cost options for consumers that also bank with them.

ARE SECOND-HOME MORTGAGE RATES LOWER THAN OWNER-OCCUPIED HOME RATES?

Second-home rates are slightly higher than owner-occupied rates. However, the required down-payment for second homes is higher and directly affect the interest rates you are offered. The higher the down-payment the lower your second home mortgage rate. If you are researching for best rates online, know that FHA loans are not qualified for purchasing a second home. So, be sure to look for conventional rates online and not FHA rates.

WHAT IS PROPERTY DEVELOPMENT FINANCE?

Property development finance is funding for either major new building projects or comprehensive renovations. Think new housing estates, luxury homes, office blocks converted to flats, etc.

WHAT FEES MIGHT I EXPECT TO PAY?

Property development finance comes with an assortment of fees and it's a good idea to know what you'll need to fork out for before you get started. Take a look at the fees section for full details.

HOW MUCH CAN I BORROW?

Loans are based on a percentage of the gross development value. For more details take a look at our overview of finance.

IS REFURBISHMENT FINANCE THE SAME THING?

No. Refurbishment finance is for much smaller projects like you see on lots of TV shows where a developer does up a property and tries to sell it on for a profit.

I'VE NEVER DEVELOPED PROPERTY BEFORE, CAN I GET FINANCE?

Maybe. Most lenders prefer property developers to be experienced but it is sometimes possible to get finance if you have no experience, particularly if you plan to employ a team of professionals too. To get the best second home mortgage rates you would need to have at least a 20% down-payment and a minimum credit score of 760.

WHAT ARE THE REQUIREMENTS FOR A VA LOAN?

You must obtain a valid Certificate of Eligibility (COE) that meets minimum time and discharge status as per veteran business administration. In addition, the veteran must meet the credit and income qualifications set forth under VA loan guidelines.

HOW DOES MY CREDIT AFFECT MY HOME FINANCING OPTIONS?

Home financing options are often limited based on your credit score. The higher the credit score, the lower the home financing rates and lower the down-payment requirements for first time home buyers. Home financing options range from FHA loans, VA loans, Jumbo loans, USDA loans and traditional conventional loans. Be aware that not every mortgage lender participates in the above home financing options and that using a mortgage broker typically results in being presented with more financing options.

LEGAL ADVICE

Buying or selling a home can be a confusing process, especially if it is your first time. If you are going through the process right now, the following provides basic information on some key rights and some topics buyers and sellers should be aware of: homestead exemptions and buyers' deposit rights.

In today's volatile real estate market, experienced representation is crucial to protect your interests during each and every step of a real estate transaction. Buying and selling property in both commercial and residential markets is more complicated than ever before.

Real estate attorneys represent clients in all phases of these transactions, including preparation and review of:

- Real Estate Purchase and Sale Agreements
- Land Surveys
- Deed Restrictions
- Financing Documents
- Closing Documents

KNOW YOUR RIGHTS CONCERNING REAL ESTATE DEPOSITS ON NEW HOMES

If one is buying a new home, a question that arises is whether or not to place your deposit in escrow or release the funds to the builder. The buyer has a choice and must decide in writing which option to choose. At a first glance the decision would appear simple: Just put the money in escrow where it is safe and secure. However, the decision requires carefully weighing factors, such as whether or not the builder is likely to complete the project, as well as the general risk tolerance of the buyer.

If the buyer elects to place the earnest money deposit in escrow, the builder has the right to charge the purchaser the builder's cost of borrowing that amount of money, less any interest that the builder is able to obtain on the escrows while the deposits are being held in the bank.

If you would like to know more about your rights and other legal and financial benefits of homeownership, there are many real estate attorneys who may be able to help.

INHERITED PROPERTY

The process of selling an inherited home can become very complicated. There are different procedures that have to be worked through before selling the property. The more you know on the specific topics, the easier it will be for you to manage the sale.

IS THERE A VALID WILL?

The first step in the process will be to determine whether the deceased individual has a valid will. When a person dies and they leave a will they are referred to as a "testate". If the decedent passes without leaving a will, they are referred to as an "intestate". There are typically two different estate proceedings that will be followed, they are:

Probate: If the person who died had a will, then you will be forced to go through probate to divide up the assets in question.

Administration: If the person dies without a will, then you will file for an administration and the property will be divided by law.

Probate is the court process by which a will is proved either valid or invalid.

This process is held in the hands of the surrogate court and they will need to see that the will is proved to satisfaction. Once the will is deemed valid, the executor, who is named in the will, will be appointed to distribute the estate. At this time they will attempt to move forward with the wishes of the individual who passed.

The information provided does not, and is not intended to, constitute legal advice; instead, all information and content are for general informational purposes only. Information contained in this book may not constitute the most up-to-date legal or other information.

Readers should contact their attorney to obtain advice with respect to any particular legal matter. No reader should act or refrain from acting on the basis of information without first seeking legal advice from counsel in the relevant jurisdiction. Only your individual attorney can provide assurances that the information contained herein - and your interpretation of it - is applicable or appropriate to your particular situation.

FILING FOR PROBATE

Be sure that you list all of the “heirs” on the probate petition. The “heirs” must also be served with a notice. Once this happens, the surrogate courts will not have control over the “heirs”. At this point, the notice that was delivered will make the “heirs” aware that the executor has filed for the authority of the estate. If the will has beneficiaries that are due to receive assets in the will, they must be notified of the probate proceedings.

OPTIONS WHEN SELLING AN INHERITED HOME

At this point, we have the specifics out of the way in regards to the inherited sale process. Those initial steps can become very complicated. It is best if you take the extra step and continue to educate yourself, so you will be more comfortable throughout the process. We hope that you now understand the preliminary steps and the tax implications of the sale.

When it comes to the sale of your real property, there are a couple options that you can consider. Each option offers its own unique benefits to the new homeowner. The option you choose will depend on:

- The market conditions
- Your current financial status
- The condition of the home
- The location of the home
- Your knowledge of real estate
- Your intentions for the home



THE FOUR PRIMARY OPTIONS

There are four primary options that you have when it comes to selling your property:

- Listing with an agent
- Selling to a real estate investor
- For sale by owner
- Renting the home out

LISTING WITH AN AGENT

Selling your home with a real estate agent is the traditional route that most homeowners use to sell. If this is the vehicle that you intend to use, hiring a real estate agent does not mean that you are no longer involved in the transaction. You should do some research on your local market. This will help you better understand the market conditions. Finding out if you are in a buyer's market or seller's market can also help.

The benefits of listing your home with a real estate agent are:

- They do understand the market and the conditions.
- They have the tools to price your home right.
- They will handle all the negotiations.
- They are in charge of the showings/open houses.
- They handle the marketing and paperwork.
- They should have a network of other agents, who can bring potential buyers.
- Have access to the MLS to list.

GLOSSARY OF TERMS

All you're looking for are some straightforward answers with no jargon. That's why we've created this simple list of terms.

• Adjustable-rate mortgage (ARM)

There are two types of conventional loans: the fixed-rate and the adjustable-rate mortgage. In an adjustable-rate mortgage, the interest rate can change over the course of the loan at five-, seven-, or ten-year intervals. For homeowners who plan to stay in their home for more than a few years, this is a risky loan as rates can suddenly skyrocket depending on market conditions.

• Appraisal

An appraisal is required to gather the estimated value of a piece of real estate. During the home sale, the mortgage lender sends out an appraiser to get a professional opinion of the value of the property. This helps the lender decide if the property is worth the amount of the loan the potential buyer is seeking.

• As-is

A property marketed in “as is” condition usually indicates that the seller is unwilling to perform most if not all repairs. It could also mean that it is priced “as is”, which is typically lower than market pricing in the area.

• Buyer's agent/listing agent

A buyer's agent, also known as a selling agent, is a licensed real estate professional whose job is to locate a buyer's next property, represent their interests by negotiating on behalf of that buyer to obtain the best price and purchasing scenario for that buyer as possible. This agent is a fiduciary for the buyer.

The listing agent, also known as the seller's agent, is a licensed real estate professional whose job is to market the seller's property, and to represent the seller's best interest by negotiating on behalf of the seller to secure the best price and selling scenario as possible. This agent is a fiduciary for the seller.

• Closing

Closing is when the home sale is considered final, which typically includes all parties' signatures on all required documents, all monies conveyed, and when a lender is involved, with full lender's approval. For some markets across the nation, recording the deed with the county clerk's office is the ultimate and final step of closing. Once all these items are completed, then a buyer's access to the property is then provided, and the buyer is considered the new homeowner.

• Days on market (DOM)

DOM is defined as the number of days from the date on which the property is listed for sale on the local real estate brokers' multiple listing service (MLS) to the date when the seller has signed a contract for the sale of the property with the buyer.

A related metric is the average DOM for homes sold in a market during a specified period. A low average DOM indicates a strong market that favors sellers. A high average DOM signals a weak market that favors buyers. Seasonality can also be a factor.

• Equity

Equity is ownership. In homeownership, equity refers to how much of your home you actually own—meaning how much of the principal you've paid off. The more equity you have, the more financial flexibility you have, as you can refinance against whatever equity you've built. Put another way, equity is the difference between the fair market value of the home and the unpaid balance of the mortgage. If you have a \$200,000 home, and you still owe \$150,000 on it, you have \$50,000 in equity.

• Escrow

Escrow is an account that the lender sets up that receives monthly payments from the buyer. The escrow holder is the agent and depository (impartial third-party) who collects the money, written instruments, documents, personal property, or other things of value to be held until the happening of specified events or the performance of described conditions, usually set forth in mutual, written instructions from the parties.

• Fixed rate mortgage

With fixed rate mortgages, your interest rate stays the same for the duration of the loan. They are often available as 10, 15, 20 & 30-year loans with the most popular being 15- and 30-year

- **Homeowner's association (HOA)**

A homeowner's association is a private association that manages a planned community or condominium. When you purchase a property that is managed by an HOA, you agree to abide by the HOA's rules and pay its monthly or annually HOA dues. If you fail to pay and/or comply, they often have the ability to file a lien against the property and/or foreclose on the property.

- **Home sale contingency**

A home sale contingency is for a buyer to indicate to a seller that part of their condition to purchase the seller's property relies on the buyer's ability to finalize a close on their current property. This is often negotiated with a clause in a contract or with an addendum to a contract. An example of how such a contingency can be used would be if a buyer needs to sell their property in order to have the down payment required on the purchase of the new property or would rather use their sale proceeds instead of their savings to make the down payment.

Depending on the market, it could hamper negotiations with a seller when a contingency is part of the picture.

- **Inspection**

An inspection happens when buyers pay a licensed professional inspector to visit the home and prepare a report on its condition and any needed repairs. The inspection often happens as part of the due diligence period, so buyers can fully assess if they want to buy a particular home as is or ask the seller to either complete or pay for certain repairs.

- **Interest**

This is the cost of borrowing money for a home. Interest is combined with principal to determine monthly mortgage payments. The longer a mortgage is, the more you will pay in interest when you have finally paid off the loan.

- **Land lease**

Traditionally, when you purchase a home, you own the home and the land the property is built on. There are some circumstances that involve a land lease, which means you would own the home while paying rent to the landowner for the land.

- **Mortgage broker**

The broker is an individual or company that is responsible for taking care of all aspects of the deal between borrowers and lenders, whether that be originating the loan or placing it with a funding source such as a bank.

- **Mortgage pre-approval letter**

Getting a mortgage pre-approval letter is important because it gives home buyers an idea of what they can afford. A mortgage pre-approval letter is issued by the lender and identifies the terms, loan type and loan amount the buyer qualifies for after checking the buyer's debt-to-income ratios along with cash on hand and credit history.

Many sellers or their agents require a mortgage letter with any home offer that isn't all-cash since it acts as proof the buyer has been qualified to get financing.

- **Multiple listing service (or MLS)**

An MLS is a database that allows real estate agent and broker members to access and add information about properties for sale in an area. When a home is listed for sale, it gets logged into the local MLS by a listing agent. Buyer's agents often check the MLS to see what's on the market and what similar homes have sold for. According to Inman.com, there are over 600 MLS organizations in the United States.

- **Natural hazards disclosure (NHD) report**

A report required by most states that discloses if a property is in an area that has a higher risk of natural hazards. The report is typically paid for by the seller and given to the buyer during escrow.

The following natural hazard zones are covered in a NHD report:

- Special flood hazard area
- Area of potential flooding
- Very high fire hazard severity zone
- Wildland area that may contain substantial forest fire risk and hazards
- Earthquake fault zone
- Seismic hazard zone

- **Offer/counteroffer**

Buyers make a formal offer on the home they want to purchase. The offer can be the full list price, or what you and your agent deem a fair market value.

The buyer's agent puts the offer in writing, asks you to sign it, and then submits it to the seller's agent. The seller might immediately accept it, in which case it becomes the parties' purchase contract, or may make what's known as a counteroffer.

- **Preliminary report**

A preliminary report reveals any issues with a title that need to be dealt with by the seller in order to deliver a clear title. It gives details such as ownership history, liens, and easements. The title company gathers this report by searching existing property records at the county recorder's office.

- **Probate sale**

A probate sale happens when a homeowner dies without writing a will or leaving a property to someone. In such situations, the probate court would authorize an estate attorney, or other representative, to hire a real estate agent to sell the home.

The total process will usually be a bit more complicated and therefore will take more time than a conventional sale.

- **Proof of funds**

When you make an offer, sellers will require you to submit proof of funds. If you're buying a house with a mortgage, it shows them that you have the cash available for your down payment and closing costs. If you're paying all cash, your proof of funds shows you have the money.

The following documents qualify as proof of funds:

- Original or online bank statements with bank letterhead
- Copy of a money market account balance with bank's logo or letterhead
- Certified financial statements, such as an income or cash flow statement that's been signed off on by an accountant
- An open equity line of credit

- **Purchase and sale agreement (PSA)**

A purchase and sale agreement is commonly referred to a written contract between the buyer and seller, which outlines the terms of the parties to sell and purchase real property.

When a home is "under contract" it usually signifies that the Buyer and Seller have formalized their commitment to sell and purchase the real property.

- **Real estate broker**

A real estate broker is a real estate agent who has passed a state broker's exam and met a minimum number of transactions. These brokers can work on their own or hire their own agents.

- **REALTOR®**

An actively licensed real estate agent and REALTOR® are often used interchangeably, although not every real estate agent is a REALTOR®. A REALTOR® is a member of the National Association of REALTORS® (NAR).

A REALTOR® promises to uphold the Code of Ethics of the association and to hold each other accountable for when serving the public, customers, clients, and each other, with a high standard of practice and care.

- **Seller disclosure**

A seller's disclosure is a disclosure by the seller of information about the property, or which could affect a buyer's decision to purchase the property, all of which to the best of the seller's knowledge.

A seller must also indicate items which are not specific to the property itself but related to a person's enjoyment of the property, such as pest problems, property line disputes, knowledge of major construction projects in the area, military base related noises or activities, association related assessments or legal issues, unusual odors caused by a nearby factory, or even recent deaths on the property as permitted by law.

- **Title search**

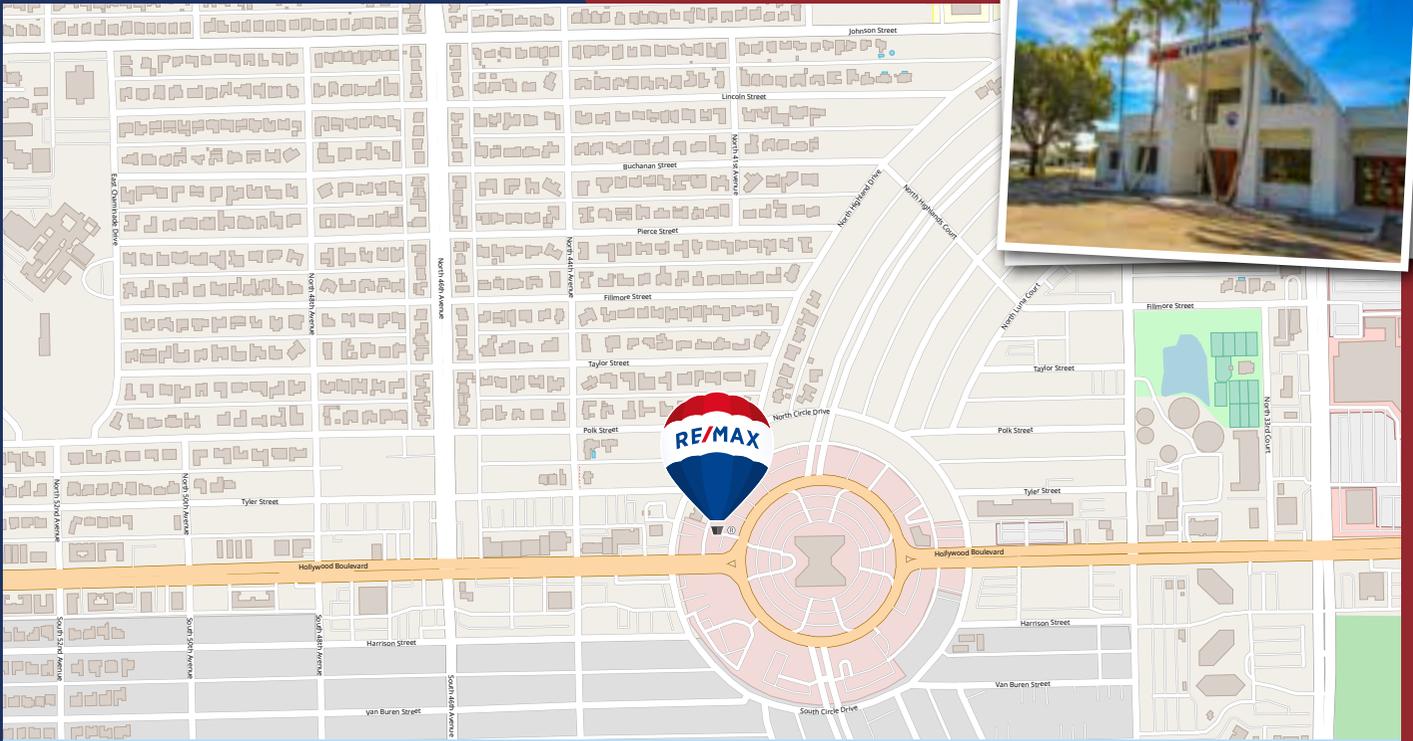
A title search examines public records for the history of the home, including sales, purchases, and tax and other types of liens.

Generally, a title examiner will conduct a search using title plants, and sometimes the county records, to see who is listed as the record owner of the property. Such information, along with any liens or encumbrances that are recorded against the property, will be listed in the Preliminary Report for the parties to review prior to the close of escrow.

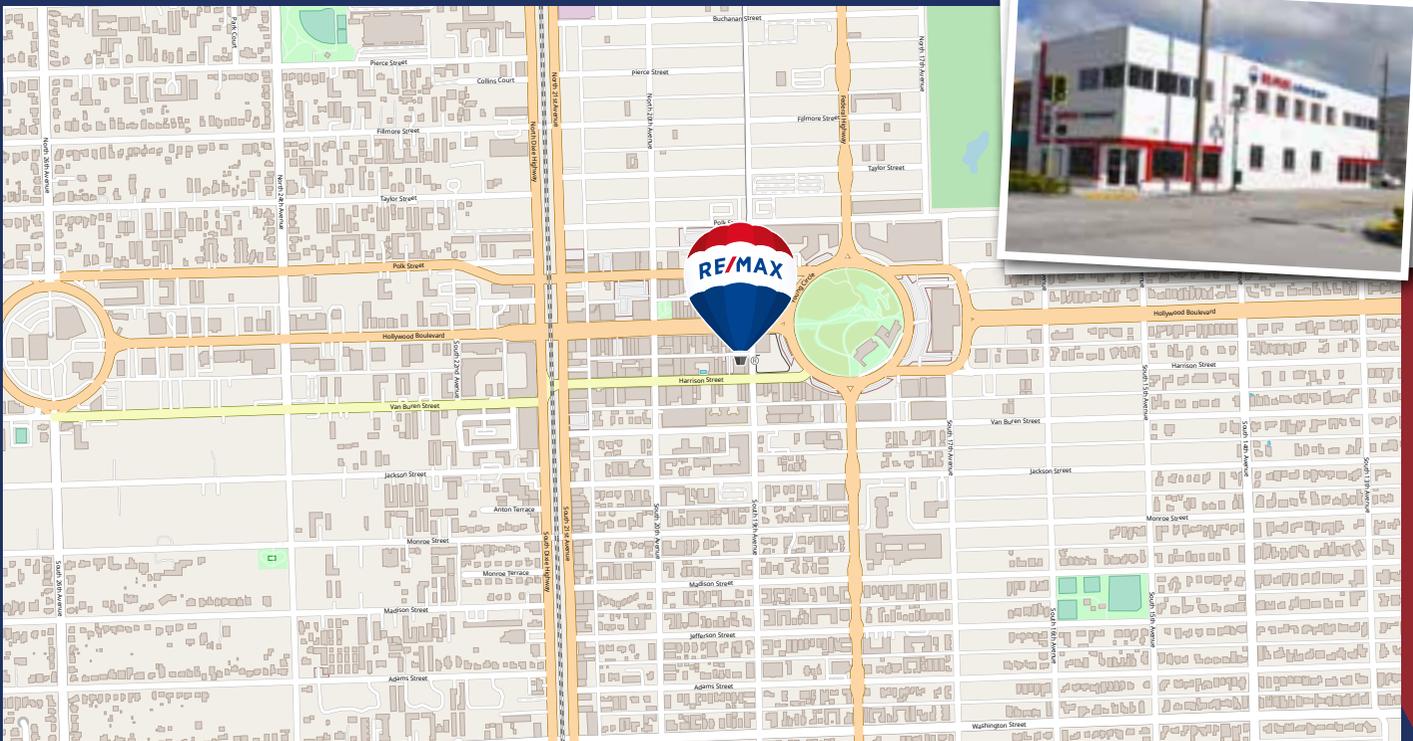
- **Trust sale**

A trust sale means that the home is being sold by a trustee of a living trust – and not a private party. Often this is because the original homeowner has passed away or has placed their assets in a living trust.

The trustee may not be as emotionally attached to the property as a traditional owner, which could translate to them accepting a less attractive offer as the trustee may prefer to offload the property.



4151 Hollywood Blvd., Hollywood, FL 33021-6734 | **Call: 954.361.0000**



1901 Harrison Street, Hollywood, FL 33020 | **Call: 954.361.1111**



RE/MAX
5 STAR REALTY

EACH OFFICE INDEPENDENTLY OWNED AND OPERATED.