

# HOME BUYING TIPS THAT WILL SAVE YOU MONEY, TIME AND HEADACHES!

## ***What is the best source for finding a home?***

Having a Buyers Agent that has a system to automatically notify you of new homes coming on the market that meet your needs. This is an essential part of making sure that you have a competitive edge in your home search. With our low inventory, it's important to know of homes right when they come on the market. The Register Guard and other home publications do not include all properties for sale. Only a very small percentage of homes are ever actually advertised outside of our Multiple Listing Service.

## ***What is the very first thing you should do when ready to purchase a home?***

The first thing a Buyer should do is develop a relationship with a professional Lender and get pre-approved.

### ***Why?***

Too many times I've seen Buyers looking in the wrong price ranges. It saves the Buyer time by knowing exactly what their price range is. Buyers can often qualify for more than they thought by knowing which loan program best suits their needs. Depending on your funds to close you may need to ask the Seller to pay your closing costs. You would need to know this before actually writing the offer.

## ***When you see a home you like, whom should you call? The Listing Agent or your Buyer's Agent?*** Your Buyers Agent

### ***Why?***

A Buyer should always have their own representation when looking at homes to purchase. The Listing Agent has been hired by the Seller to represent them in the sale of their home and through the escrow process. It's important to have someone that is representing your best interests at all times and not those of the Sellers.

## ***Who pays the Buyers Agent's commission?***

The Seller does. When they list their home they agree to pay the Listing Agent and Buyer Agent commissions.

## ***Should you ever have the Listing Agent write the offer for you?*** No, Never!

### ***Why?***

When a Seller lists their home with the Listing Agent they sign a contract, which means they are representing the Seller. The main objective of the Listing Agent is to sell the home for the most amount of money in the least amount of time. How can the Listing Agent get the Sellers the most money for their home and negotiate the best price and terms for the Buyer? It becomes a conflict of interest. Neither party can be 100% represented in this situation.

## ***Why types of inspections would you suggest getting when purchasing a home?***

Your home inspections should be no less than a Termite and Dry Rot inspection and a Whole House inspection. The Whole House inspector will advise you if other major systems need to be inspected by an expert in that field. Most bank lenders will require a Termite and Dry Rot inspection for the loan to be approved. The Whole House inspection is to ensure that the home is in overall good condition.

## ***What are the benefits to using a Buyers Agent and what are their responsibilities to the Buyer?***

A Buyers Agent works for the Buyer at all times. This means that your Buyers Agent is responsible for negotiating the best possible price and terms for the property you want to purchase. Our job is to assist the Buyer throughout the entire process, from looking at homes to writing up offers and handling the escrow process. Part of our responsibility is to keep the Buyer updated on homes coming on the market that meet with their criteria. This includes educating the Buyer about the market and where pricing should be for an offer. It's important that a Current Market Analysis is done for each home that a Buyer is interested in purchasing. This helps to ensure that the Buyer is getting the best price on the purchase of their home. The Buyers Agent is also responsible for assisting throughout the entire escrow process, making sure that the transaction goes smoothly from beginning to end. The best part is that this is free to the Buyer. The Seller pays the Buyers Agent.

## ***What types of homes can a Buyers Agent show you?***

All homes listing in our area's Multiple Listing Service, For Sale By Owners (FSBOs), New Construction, and Foreclosures. Basically any home you see for sale.

# *So I Can Better Understand Your Needs As A Buyer,*

## PLEASE CHOOSE FROM ONE OF THREE CATEGORIES

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- A Buyer** = This is an individual or family that has an immediate need to buy Real Estate. You see yourself buying in the next 30 days.
- B Buyer** = This is a family or individual that has a current need for Real Estate. You may know what you want and have not found the right property and have the ability to wait. Your goal is to buy within 3 months.
- C Buyer** = This is a family or individual who is interested in the Eugene/Springfield area and you need more time for research but you still are a serious buyer. Your goal is to buy within a 1-year time frame.

### TIPS THAT WILL HELP YOU BECOME A QUALIFIED BUYER:

1. If you are not a cash buyer, get pre-approved from a lender for the amount you need. Having a pre-approval letter will make you a cash buyer when we write your offer.
2. Everyone is on the same page. List the 5 have-to-haves in a property. Make this a family project if you have a family-so that everybody's needs are understood.
3. Make sure that I know what you want. Communication between all parties in a Real Estate transaction is important.
4. Have a system ready so that your Earnest Money check can be written. When you write an earnest money check the amount of the check will be deposited at the title company's trust account. If you need to move money from one account to the next, know how long that will take.
5. Make sure you check your email accounts daily. This is critical if you are an A Buyer. I use email everyday and have found that it is the best way for me to get information to you.
6. When using the Internet for information, remember that I can help you with all listings. I am a Buyer Specialist and I am the one that is looking out for you to ensure that you are looking at properties that fit *your needs!*



**Galand Haas Real Estate Team**

*Exceeding Your Real Estate Expectations*

# *Your Dream Home...Bought* DISCOVERING WHAT'S IMPORTANT TO YOU

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## 13 THINGS EVERY BUYER SHOULD KNOW BEFORE PURCHASING

1. Property taxes and qualified home interest are deductible on an individual's federal income tax return.
2. Many times, a home is the largest asset an individual has and is considered one of the safest investments available.
3. A homeowner can exclude up to \$500,000 of capital gain if married filing jointly or up to \$250,000 if single or married filing separately. The home must have been the taxpayer's principle residence for the previous two years.
4. A portion of each amortized mortgage payment goes toward the principle, which is an investment.
5. A home is one of the few investments you can enjoy by living in it.
6. A Buyers Agent can show you any home, whether it is listed with a company or a builder or even a For Sale By Owner.
7. Working with a Buyers Agent to purchase a For Sale By Owner property is very advantageous, because someone will be looking out for your best interests.
8. A pre-approved program will actually approve you for a specific loan amount subject to the property. This will give you confidence and will help when negotiating with the seller.
9. The right to conduct a property inspection, included in your purchase agreement, gives you the ability to negotiate with the seller once you know all the facts about the property's condition.
10. A Home Protection Plan can provide coverage for selected items, such as central heat and interior plumbing, built-in appliances, water heaters, etc. If the seller is not providing this coverage, you can purchase it yourself.
11. Ask your Buyers Agent if he or she is familiar with the neighborhoods you want to live in. Ask how many homes he or she has sold in those areas in the past year.
12. Working with a Buyers Agent who has an office "team" helps assure the buyer that the transaction will be handled smoothly.
13. Let your Buyers Agent help you negotiate the best price and terms which can be achieved in any market with the right agent.



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## WHO PAYS WHAT

### SELLER

- Owner's title insurance premium.
- Escrow fee (1/2 share).
- Recording charges to clear all liens of record against seller.
- Unpaid taxes plus tax proration to date of recording.
- Any loan fees required by buyer's lender to be paid by Seller (FHA-VA).
- Interest accrued to lender being paid off, reconveyance fees, statement fees and any prepayment penalties.
- Repairs (according to contract).
- Any existing loans, judgments, tax liens, etc. against the property.
- Real Estate Brokerage Fee.
- Any unpaid Homeowner's Association dues.
- City & County Assessments for improvements (sewer, sidewalk, etc.).
- Express delivery fee for payoff check to existing lender, if out of town.

### EXCEPTION TO THE ABOVE

On VA loans SELLER pays:

- Entire escrow fee.

On FHA loans SELLER pays:

- Assignment of Trust Deed recording fee, if any.
- Lender's document preparation fee.
- Appraisal and inspection fee, if there is more than one inspection.

### BUYER

- Lender's title insurance premium.
- Escrow fee (1/2 share).
- Recording charges for all documents on buyer's home.
- Tax proration from date of acquisition.
- All new loan charges (except those required by lender for seller to pay).
- Interest on new loan from date of funding to 30 days.
- Fire insurance premium for first year.
- Inspection fees (property inspection, geological, environmental, etc.).
- Tax and Insurance Impound, if required by new lender.
- "Early Issue" title insurance premium on new construction.
- Assumption of existing loan.
- Flood Insurance premium, if required by new lender.
- Express delivery fee for returning new loan document to lender, if out of town.
- Lender's document preparation fee.

**NOTE:** These are standard business practices in Oregon, however, fees are occasionally negotiated otherwise.



# IMPORTANT HOME BUYER TIPS

Provided to You By  
**The Galand Haas Team**  
of Keller Williams Realty Eugene and Springfield



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*Exceeding Your Real Estate Expectations*

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## **ASBESTOS CONCERNS**

Many sales agreements mention asbestos by saying “the buyer is aware asbestos may be used in the construction of this home.” This can be a little unsettling. Asbestos is a known carcinogen, and when exposed, tiny particles can be released into the air you breathe. Asbestos is a common insulator used in many homes, and was used for everything from siding to tape wrapping for furnace air ducts and even in “popcorn” ceilings. Your home inspector can tell you if asbestos is present in easily visible places such as siding, taping, and insulation, and recommend remedies if necessary.

## **FLOOD PLAINS**

FEMA (Federal Emergency Management Administration) is the federal agency who determines, if flood insurance is required. They categorize all flood areas into zones such as 1A, 2B, etc. The categories are then available for all to see, and the amount of insurance is determined based on where your home sits. Some of these policies can be quite expensive; it is not unheard of for \$100,000 of coverage to cost \$1,000 a year or more. Note the home you are buying “might” be in a flood plain. If so, make your approval of this condition a contingency of the purchase. Check with us if you have any questions or concerns.

## **HEAT SOURCES**

Heating and cooling your home accounts for 44% of your home’s energy use. Various systems include electric, gas, propane, oil, and even wood-fired. The method of distribution can be forced air, under floor boilers and pipes, baseboard, zonal, gravity, heat pumps, ceiling wires and, of course, wood stoves and fireplaces. The more energy efficient an appliance is, the less it costs to run it and the lower your utility bills are. Use this knowledge to evaluate the asking price of any home. You’ll be monetarily ahead as you factor its heat source into any offer.

## **HOME INSURANCE**

When purchasing a home, you will need to acquire homeowners insurance. In fact, all lenders will require a policy be in force prior to funding a loan. Make sure you have enough coverage, should anything happen. Policies refer to “replacement costs” that may not cover everything. You should ask your insurance agent a lot of “what if” questions. The deductible amount also plays a big part in setting your premium. Higher deductibles lower the number of claims, and reduce your insurance costs. Check with your insurance agent for more information on these issues. If you don’t have an insurance agent, we have access to several top-notch agents we can refer you to with confidence.

## **HOME WIRING**

The type of wiring in residential homes generally depends on when the home was built and if it has been updated. In older homes, knob and tube type wiring was the norm, replaced later by encased romex wiring. In most cases newer romex wrapped wiring is copper, insulated with plastic and then wrapped with insulation and another layer of plastic for protection. Breaker boxes are



always a concern; a well-meaning home owner can inadvertently make things unsafe. It is always wise to consult a reputable home inspector and even an electrician before you buy.

## **LAP SIDING**

When you are checking out homes, there are several items in our market you need to be aware of – including man-made siding. A lot has been said about L.P. (Louisiana Pacific) OSB (Oriented Strand Board) products, but did you know that there can be issues not just with LP but with Omni Board (made by Masonite) Stimson Fortestex, Weyerhaeuser and others? Siding replacement jobs can go over \$30,000! When the time is right, let us put you in touch with a siding inspector to insure you get the best home and siding inspection possible, and make your offer contingent upon YOUR APPROVAL of a home/siding inspection where necessary.

## **LEAD PAINT**

All sellers with homes built prior to 1978 are required to fill out a lead-based paint disclosure form and provide you, the buyer, with a lead-based paint educational booklet in any sale. Lead is a highly toxic metal that was used for many years in products found in and around our homes. Lead may cause a range of health effects, from behavioral problems and learning disabilities, to seizures and death. Children 6 years old and under are most at risk, because their bodies are growing quickly. There are millions of homes with lead paint that have been painted and repainted several times so the lead paint is well covered up. If concerned, have the paint tested and evaluated either at a local laboratory, or with one of the home test kits available at your local hardware store.

## **PLUMBING ALERT**

Certain systems are more prone to having certain problems. Galvanized water pipes are most prone to rusting on the horizontal surfaces (such as under a floor) versus vertical surfaces (running up a wall) and it corrodes from the inside out. Some rigid plastic systems have been recalled, while others have fared very well. The most reliable types seem to be made of copper, but again there can be issues to check: are the hangers plastic lined? Are there any lead shoulder joints? A good home inspector can help you identify any problem areas before you buy.

## **STUCCO SIDING**

Many newer homes are now being sided with artificial stucco siding, or EIFS (Exterior Insulation Finishing Systems). This is essentially polystyrene foam with reinforcement mesh, and a finishing coat of stucco over the top. This terrific product, adds insulation to the home. However, it can also be an expensive repair if it isn't installed correctly and/or water gets behind it. There are several manufacturers of artificial stucco, and many builders installing it. Having it inspected allows you to know if there is a problem, and even if there isn't you will be aware of the areas you need to keep caulked, and what to look for in case of trouble.

## **INSULATION “R” VALUES**

The most important thing to be aware of with insulation, other than the safety issues of urea formaldehyde and asbestos, is the R value, or the insulating factor. The higher the number is, the better the insulator. Don't be too shocked if the insulation in the 15 year old home you are considering isn't near the R value of a brand new home. While there is no question you could save on heating bills by adding more insulation, sometimes it can take many, many years to recoup the costs. In some areas, your gas or power company many have low interest loans or even grants available if you boost your insulation. Talk to your home inspector about any upgrade recommendations before purchasing your next homes.

## **UFFI FOAM INSULATION**

Urea formaldehyde, a type of liquid foam, was sprayed into walls in older homes that weren't built with wall insulation. Immediately problems seemed to arise. Many people got sick from the formaldehyde part of the product and they continued to do so for several years afterwards. In some cases the walls were taken apart, and the insulation was removed. Current studies indicate that after several years the problem seems to go away.

## **WINDOW TYPES**

Single pane, double pane, thermopane, triple pane windows, plain glass, leaded glass, low “e” glass, wired glass, and tempered glass, too. WOW – There's a lot to know! Tempered glass can prevent shattering. Fogged thermal pane windows need to be replaced if their seals are broken, argon gas filled windows work well to insulate, while low-e coatings reduce the heat transfer for south facing rooms.

## **REGISTERED OFFENDERS**

The registry of sex offenders is one of the hottest topics on the news today. The best thing you can do to ease your mind is to contact the local authorities and ask if there is a list. Most maintain such a list and in many areas the list is updated constantly and available online. As realtors, we are prohibited from directing you either towards or away from a given neighborhood, and we are not allowed to do this checking for you. But we can point you to the places that offer assistance. Call 541-682-5124 for Neighborhood Crime Statistics, 503-378-3725 for Registered Sex Offenders or go online at [www.criminalcheck.com](http://www.criminalcheck.com)

