15 STEP ROADMAP OF SUCCESSFUL HOMEBUYERS



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YouTube Channel







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Monthly Hyper-local Real Estate Market Updates

See detailed trends and statistics for all areas in the Melbourne, FL region, including Viera, Suntree, Pineda, Eau Gallie, Downtown, Melbourne Beach, Lake Washington and West Melbourne.



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Getting Started



Areas

The very first step in your journey to becoming a homeowner is to determine which areas are right for you. You can watch my YouTube channel to get more familiar with the different areas in Melbourne.

We also serve Palm Bay, Merritt Island, Cocoa Beach, Satellite Beach, Indialantic, Melbourne Beach & Titusville.

Pre-Approval

Once you get serious about purchasing your new home, the next step is to get a pre-approval from a mortgage lender (unless you buy cash). Any seller and/or listing agent will require a pre-approval with an offer to show that you are at least likely to obtain financing for this property. Many mortgage lenders have online applications, which makes the process much easier.

Mortgages

There are various types of mortgage programs and you should speak with a qualified mortgage originator to determine which one is best suited for your specific situation. Just send us a text and we'll get you in contact with an excellent LOCAL mortgage lender.

321.831.8400



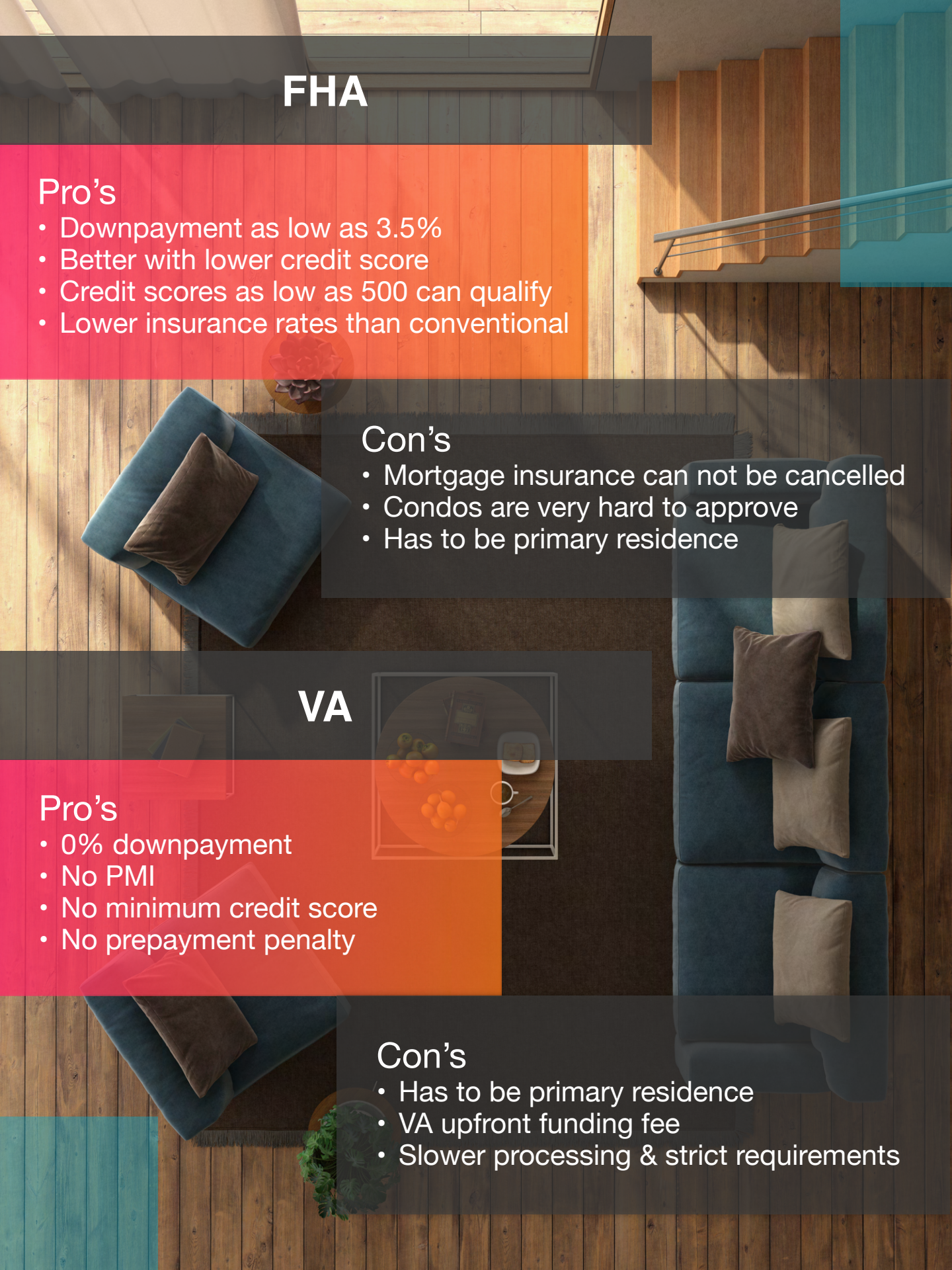
Conventional

Pro's

- Downpayment as low as 3%
- No PMI with 20% downpayment
- PMI is is automatically cancel at 78% LTV
- Investment properties qualify

Con's

- Higher interest with lower credit score
- Income limits
- Stricter credit guidelines



FHA

Pro's

- Downpayment as low as 3.5%
- Better with lower credit score
- Credit scores as low as 500 can qualify
- Lower insurance rates than conventional

Con's

- Mortgage insurance can not be cancelled
- Condos are very hard to approve
- Has to be primary residence

VA

Pro's

- 0% downpayment
- No PMI
- No minimum credit score
- No prepayment penalty

Con's

- Has to be primary residence
- VA upfront funding fee
- Slower processing & strict requirements

FHA 203k (Renovation)

Pro's

- Buy a house + get funds for renovation
- Downpayment as low as 3.5%
- Credit scores as low as 640 can qualify
- Up to 110% of "after-repair-value"

Con's

- Higher interest rates
- Has to be primary residence
- Closing times up to 6 months

USDA

Pro's

- 0% downpayment
- Finance closing costs
- Credit score as low as 620
- No prepayment penalty

Con's

- Rural areas only
- Mortgage insurance (MIP) required
- Single family homes only

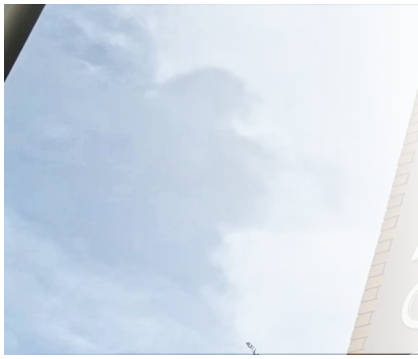

Finding Your Home

Neighborhoods



Distance To Work

The distance to your job should obviously be a priority in your home search because a shorter commute equals a happier life. So a great first step would be to research travel times during rush hours on Google maps to get an idea which cities or neighborhoods would work for you.



Schools

If you have children or plan to have children, schools are one of the most important factors. And that's not just for your children but also for your property values because great schools support stable property values.



Activities

An important factor in a community are amenities like restaurants, bars, parks, etc. Walkscore.com is a fantastic tool to get a quick overview of what a neighborhood has to offer. While your home is the place where you spend a lot of your time; The activities around you determine to a certain degree what kind of lifestyle you will lead.



Go For A Ride

Once you've done your research it's time to go for a ride around your favorite neighborhoods - and go without your agent. When you're viewing homes for sale you might miss important details of the neighborhood because you're too focused on the homes. So check out potential neighborhoods when you have no rush and no distractions.

Comparing Homes

Once you have a clear picture of where you want to live you should think about what kind of home are you looking for?

Our local MLS has 100+ filters to find exactly what you're looking for. From the basics, like the amount of rooms and square footage, to private saltwater pools with waterfalls and jacuzzis.



HOA

Another important factor are HOA fees and restrictions. While HOA's are great to maintain property values, they may also come with various restrictions.

MLS

Keep in mind that agents and/or sellers are not required to syndicate their MLS listings to the major real estate websites. So if you want access to all MLS listings, send us a text to get your own MLS portal.

321.831.8400

Online vs. In-Person Showings

While a virtual showing can be an alternative, never make the mistake to purchase a home based on listing photos only. With wide-angle lenses one can make homes appear larger than they are. A listing agent will also not highlight damages in their photos. Finally you can not hear or smell a home through a photo.

Tax Records

Another important step is to check tax records, as they can be a great indicator of work that has been done without a permit.



Working With An Agent

87% of homebuyers purchase their new home through a real estate agent, 7% buy directly from a builder and 4% directly from an owner.

New Constructions

Your real estate agent can also assist you with buying a new construction without affecting your purchase price or conditions. You may even be able to decrease your out of pocket by $1,000 or more.

Commissions

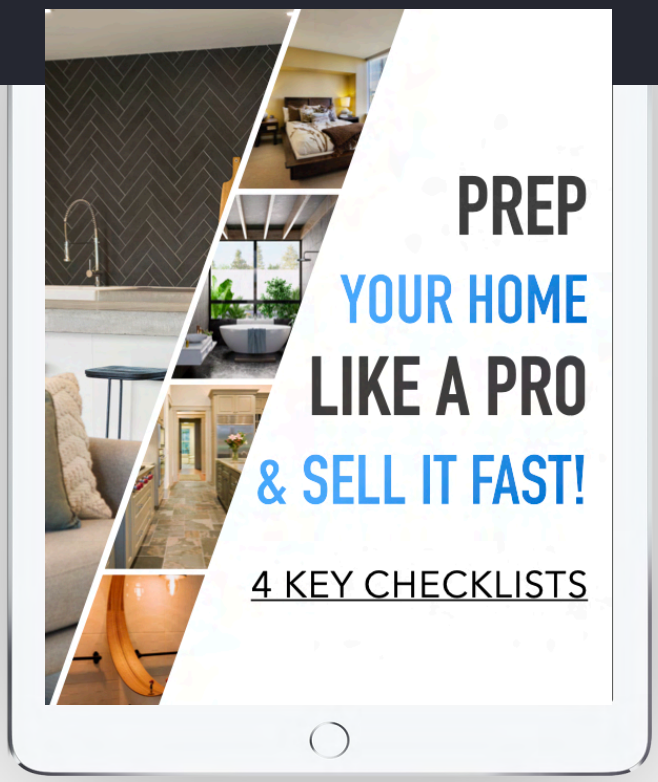
Fortunately for homebuyers the agents commissions are paid by the seller/ builder. That means that working with a buyers agent is completely free for you.

Schedule Showings

Once you find some homes that you're interested in, your agent will arrange the showings for you and give you access to the properties with their e-key.

Since most listings have showing restrictions, your agent will coordinate the showings between you, the listing agents and tenants or owners to make the route as efficient as possible.

As a rule of thumb, you should plan to see no more than 8 properties per day because you may loose track of the details of each property.



To make your showings easier and help you keep track of the pros and cons of each home, you can download our showing survey.

Here you can rate the most important factors for each home and make notes to help you when you review them later.

Download

Making an OFFER

Your agent will take care of everything when it comes to making an offer on a property. They will research comparable sold, active and pending properties as well as subdivision specific market statistics to provide you with a good offer price. They will explain the purchase agreement to you and prepare the contract to where you only have to sign. Typically you can sign electronically on your computer, tablet or smart phone.

While the purchase price is usually the main determining factor for sellers, the terms of the contract can be very important as well.



FINANCING

The type of financing can impact the quality of your offer. Cash offers are usually preferred, followed by local conventional loans. Because of the stricter restrictions, FHA, or VA are usually less appealing to sellers.



ADDITIONAL TERMS

Additional terms like appraisal gap clauses, escalation clauses, post-occupancy, etc., can turn an otherwise average offer into a top offer.



DEPOSIT

The security/escrow deposit amount indicates how serious you are about purchasing the home, which can have an impact on the sellers decision in a multiple offer scenario.



INSPECTION PERIOD

The inspection period gives you the right to cancel "at buyers' sole discretion". Since this poses a risk to the seller, a shorter inspection period is usually preferred. However, you should at least have 9 days to conduct inspections.



CLOSING

Depending on the sellers situation a sooner or later closing may be preferred. It's important to communicate with the seller about their preferences to make your offer as attractive as possible.

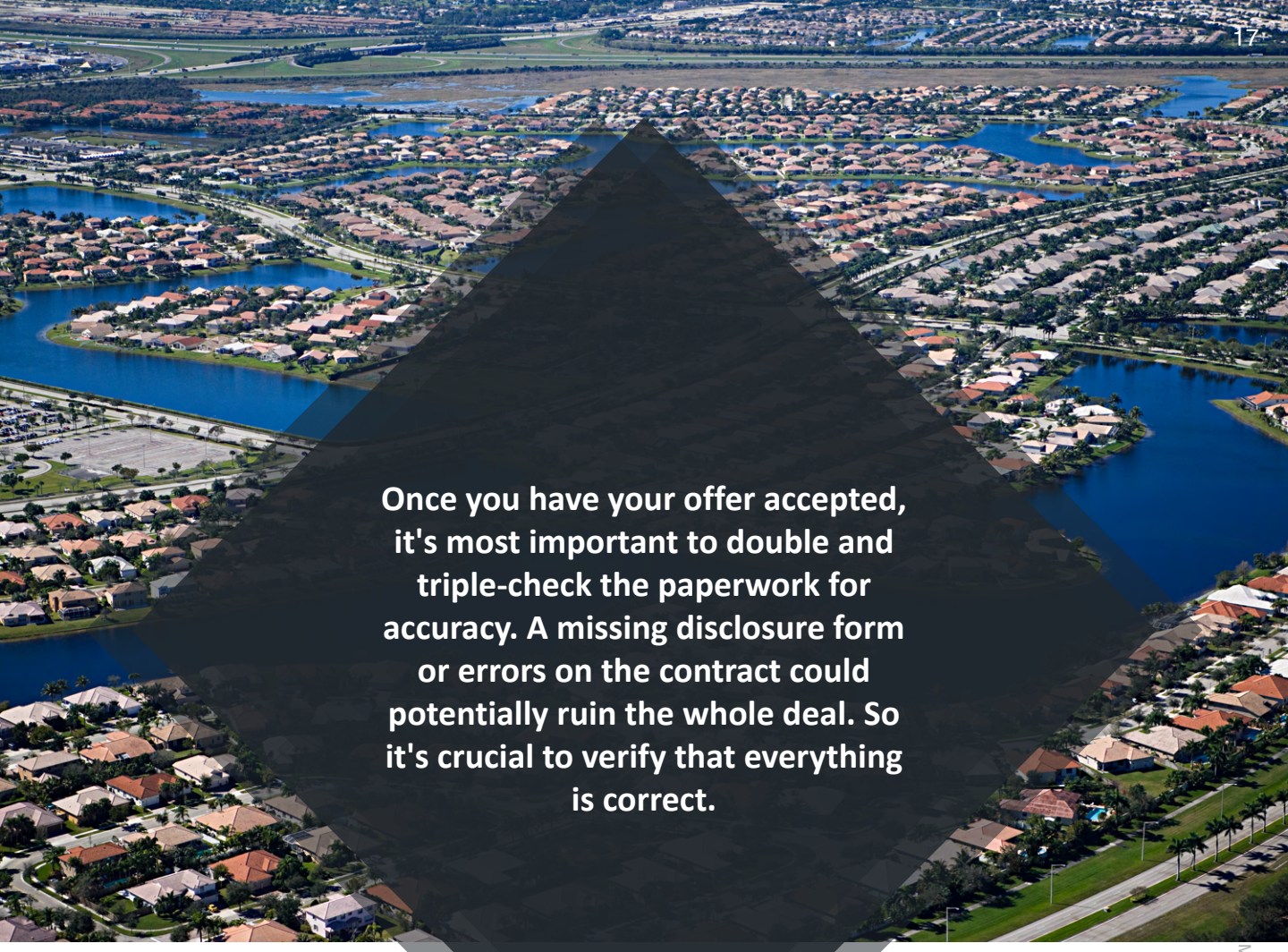


Negotiating Offers

Negotiations could get pretty tough and very emotional in real estate. Your agent will handle all negotiations for you to make sure that everything is done professionally and there are no emotions involved which could jeopardize the transaction.

And your agent will always be ready to take any blame to make sure that nothing damages the relationship between you and the seller.


UNDER CONTRACT



Once you have your offer accepted, it's most important to double and triple-check the paperwork for accuracy. A missing disclosure form or errors on the contract could potentially ruin the whole deal. So it's crucial to verify that everything is correct.

The next step is to send all paperwork to the title company and, if applicable, the lender for processing.

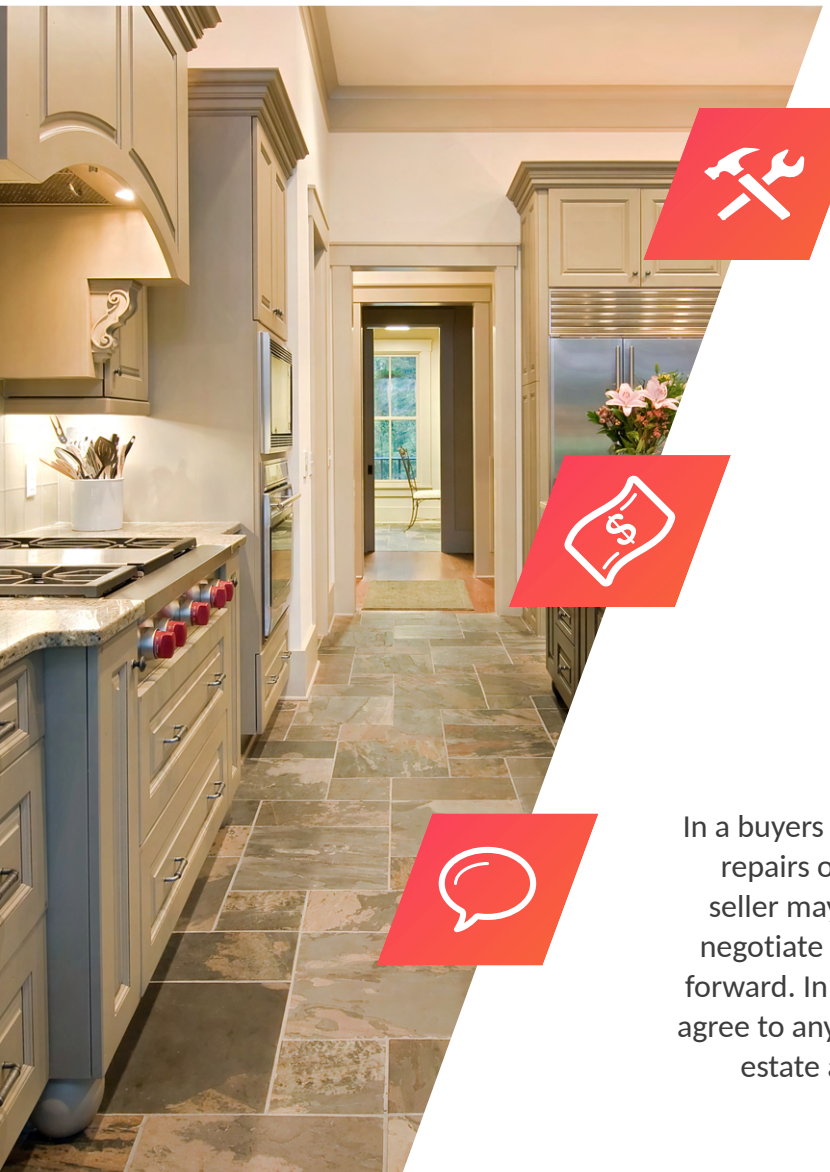
The Deposit

After the effective date (the day the contract is signed by both parties & delivered) you have typically 3 calendar days to deliver the security/escrow deposit to the title company. Usually the easiest and fastest way is to wire the deposit. Call the title company directly to receive wiring instructions.

INSPECTION

Next is the home inspection and possibly a wood-destroying organism (WDO) inspection. Depending on the contract, you have, on average, 7-15 days to perform inspections. Depending on the outcome of the inspection, you may wish to negotiate any finding of the inspection report.

Typically you have three options if the inspection finds any damages to the property:



REPAIRS

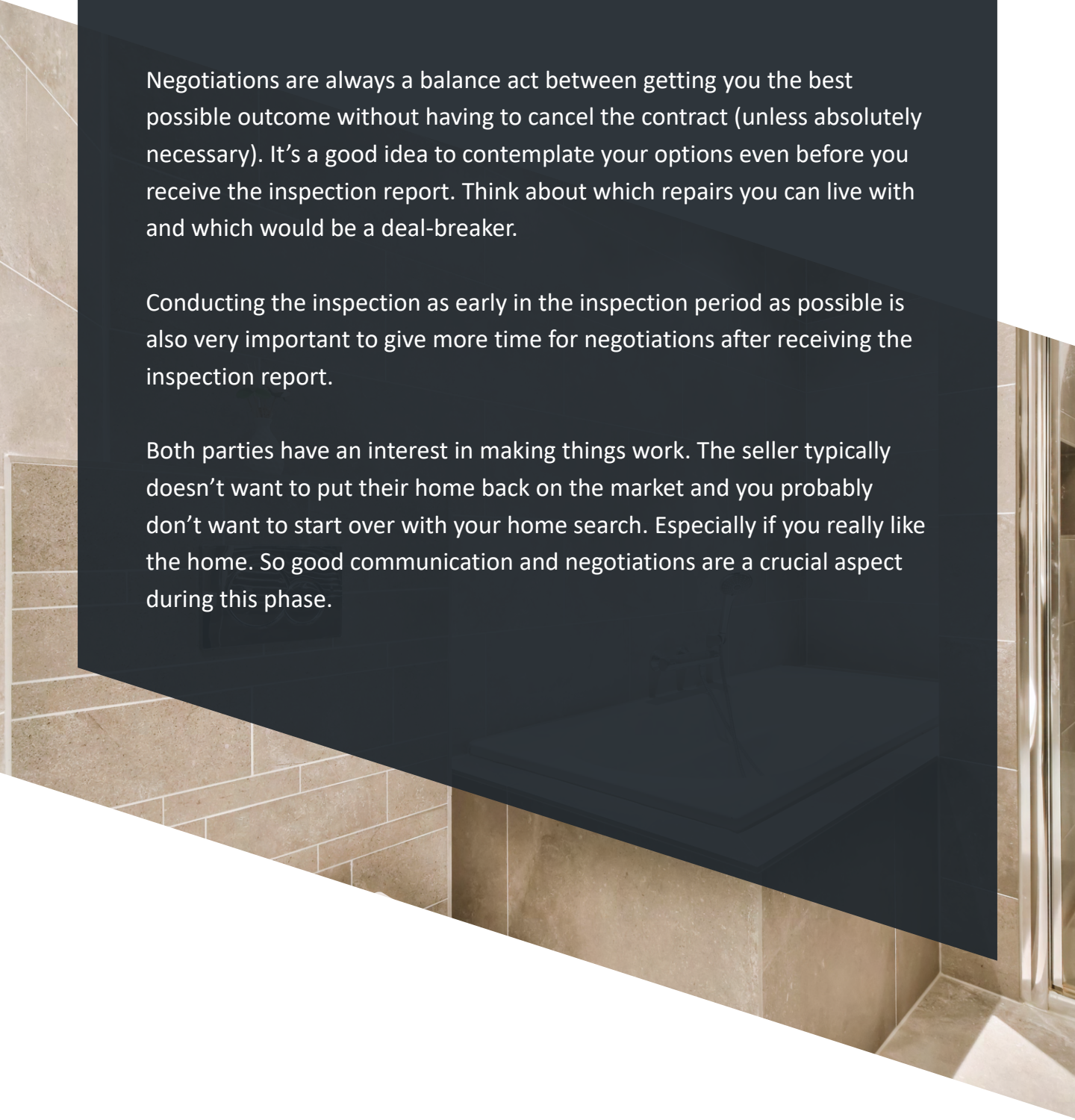
You can ask the seller to repair some or all damages. The lender may also require certain repairs in order to approve the loan.

CREDIT

You can ask the seller for a credit towards your closing costs. This means you keep additional cash in your pocket at closing, which will cover the repairs after closing.

NEGOTIATION

In a buyers market, sellers will typically agree to more repairs or a higher credit. In a balanced market the seller may not agree to all repairs and you'll have to negotiate which repairs are most important to move forward. In a strong sellers market, the seller may not agree to any repairs/credit or only very little. Your real estate agent will assist you with the negotiations.



Negotiations are always a balance act between getting you the best possible outcome without having to cancel the contract (unless absolutely necessary). It’s a good idea to contemplate your options even before you receive the inspection report. Think about which repairs you can live with and which would be a deal-breaker.

Conducting the inspection as early in the inspection period as possible is also very important to give more time for negotiations after receiving the inspection report.

Both parties have an interest in making things work. The seller typically doesn’t want to put their home back on the market and you probably don’t want to start over with your home search. Especially if you really like the home. So good communication and negotiations are a crucial aspect during this phase.

Once you and the seller come to an agreement, you'll add an addendum to the contract that either specifies which repairs the seller is required to complete before closing or the amount of credit the seller will pay towards your closing costs.

Financing & APPRAISAL

If you require financing, the purchase contract includes a financing contingency, that requires a loan commitment from the lender within a specific timeframe.

It's crucial for you to work diligently with your lender, providing all required documentation as soon as possible.



The next big step is the appraisal. The lender will typically require a property appraisal to verify that the purchase price matches the house's actual value.

If you receive a low appraisal, the listing agent (or in some case your agent) can challenge the low appraisal. However, it's relatively rare that the appraiser will adjust the value based on an agents' input, so don't rely on that.

Depending on the market, you can negotiate the purchase price with the seller, if the appraisal remains low.

In a buyers market the seller will most likely be willing to lower the purchase price to the appraised value.

In a sellers market, the seller may expect you to cover the difference if you want to move forward with the sale.

On the other hand, if the appraisal "makes value," the transaction will continue as planned without any need to renegotiate.


CLOSING

TITLE



The title company ensures you have a clear title to the home without any potential claims against it. The first step here is a title search.

The title search reveals legal information such as liens, mortgages, foreclosures, or any other encumbrances and restrictions such as easements or zoning regulations.

While the law does not require a title search, the lender will require a title search with buyers requiring financing.

A title search is important because it could reveal information that could prevent you from legally taking full possession of the property.

The second important part is title insurance, which protects you (and, if applicable, the lender) from potential claims against the property.

Customarily, the seller pays the owners' policy, which covers the your investment. However, the lender will require you to get a lender's policy, which protects the lender's investment in the property.



Home Warranty

While lenders typically require homeowners insurance to cover repairs or replacements in catastrophic events, a home warranty is optional.

A home warranty covers repairs or replacements of appliances and mechanical systems in the home like sewer/septic and A/C.

A home warranty ranges on average from $420-$745. While a home warranty is not included, in a buyers market you may want to negotiate it as part of the purchase, especially if the inspection reveals any concerns with the mechanical systems in the house.

CLOSING SCHEDULE

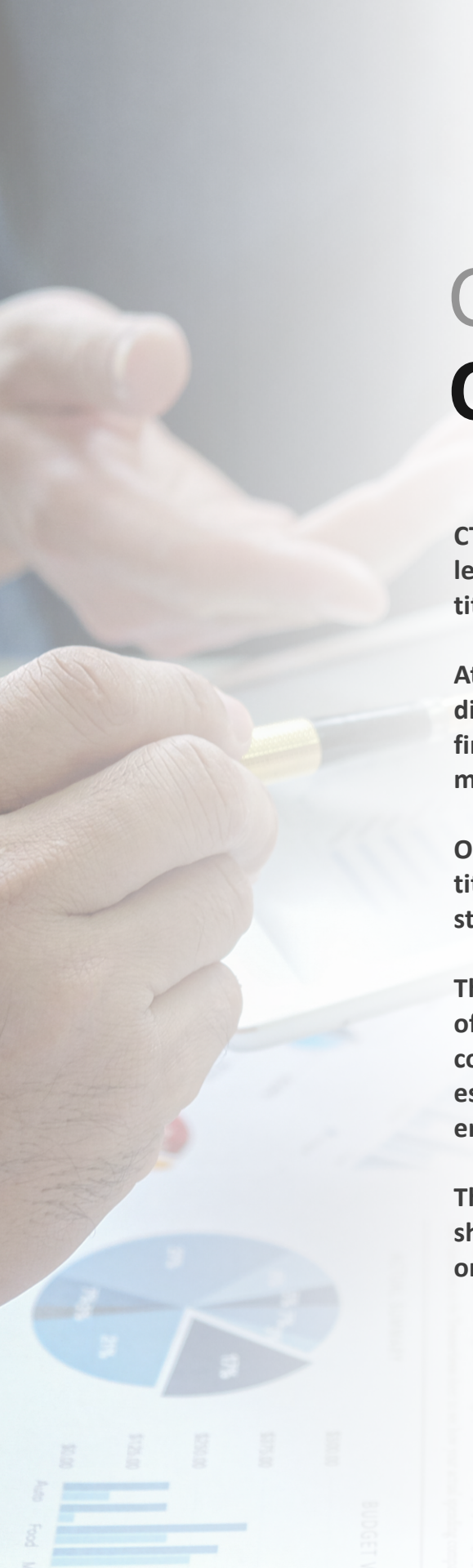
Remember that while you have a specified closing date in the contract, this might not necessarily be the date you close.



Quite often, there will be an extension for a few days. The most common reason for extending the closing date is that the lender's underwriting department requires additional information, explanations, or documents.



Your agent will handle all the paperwork for the extension and coordinate the closing with the lender, title company, and seller.



Clear To **CLOSE**

CTC stands for clear to close and means that the lender has processed the entire loan and gives the title company the OK to proceed with the closing.

At that time, they will send out the CD or closing disclosure, which is a 5-page form that covers the final details of the mortgage, including the terms, monthly payments, fees, and all other costs.

Once the lender sends the closing disclosure to the title company, the title company issues the closing statement.

The closing statement is, in essence, a detailed list of all fees, commissions, insurance, and any other costs involved in the sale of the home. Your real estate agent will review the closing statement to ensure there are no errors.

The closing statement usually looks like a balance sheet stating all debits and credits for the buyer on one side and the seller on the other.



Final Walkthrough

On the day of or the day before closing, you have the right to conduct a final walk-through inspection to verify that the seller maintained the property as required.

The seller is required to leave the property in “broom clean” condition at closing. That means all personal property and trash needs to be removed from the property. Keep in mind that "broom clean" does not require the seller to mop the floors, scrub refrigerators, sanitize toilets, or wipe down countertops.

The Closing

You will need a government-issued photo ID like a driver's license or passport. You might even need two forms of ID, so check in with your title company or closing agent what they require.

You will be with your real estate agent, the closing agent, the seller and the sellers' agent at a traditional closing. However, they might do a mail-away closing, especially when it's an out-of-state seller. So it's not guaranteed that you'll meet the seller at closing.



Of course, most title companies will allow you to close remotely, which will be more convenient if you're not able to attend the closing in person. The closing agent will explain every document to you and guide you through all the documents you need to sign.

Finally the closing agent will ask you how you intent to take title.

If you intent to own the property by yourself you'd take title as sole owner.

Tenancy in common is well suited for unrelated parties, because when one of the parties dies, their share passes to their heirs and not to the other partner.

Joint tenancy gives you and your partner an undivided ownership. That means if one of the partners dies, the property passes directly to the other partner. You always own and sell the entire property together with your partner.

HI, I AM BEN

Serving Melbourne &
the Florida Space Coast



QUESTIONS

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Tap/click the button below to send me a message:

QUESTIONS

CONSULTATION

- Get answers to all your questions about Melbourne Florida.
- Discover the best neighborhoods for your lifestyle.
- Get a personal MLS portal.
- Genuine MLS data in real-time.
- Get laser-targeted new listing alerts w. 100+ MLS filters to find your dream home & more.

Tap/click the button below to schedule your free consultation:

CONSULTATION

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