



4063E Nazareth Pike, Bethlehem, PA 18020 | (610) 419-9455 | sales@winwinpa.com

The decision to purchase real estate is not an impulse buy. Much thought needs to go into analyzing the best situation for your needs. Win Win has a step-by-step guide that provides a detailed breakdown of the requirements necessary to purchase a property. Read through it and see if you are ready to make the commitment.

This guide is mostly designed around the concept of purchasing a home for residential living. However, we have expertise and knowledge as it relates to investor clients, estates, business entities, etc. Many times these buyers are experienced in having purchased properties in the past, or may have special circumstances that are unique and require specific attention. For these types of buyers, they can simply email one of us their specific concerns or issues. Once they read the feedback from us will know they are talking to the right real estate company.

We take tremendous pride in our commitment to the latest technology, the referral network we have put together of professional vendors, and the significant amount of time required to work for you towards the goal of home ownership. In this capacity we will work as your exclusive buyer agent, or through dual agency.

Please review the guide and call us with any questions you may have. We are here to help.



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Step 1 – Buy vs Rent

Buy? If you are interested in purchasing a different residence to call home, Win Win Realty would like the chance to assist you in realizing that goal. Many factors go into the home buying decision. Those issues have varying levels of importance for each client based upon circumstances. Consider:

- Location
 - o How close do you need to be to your work?
 - o What is the proximity to shopping?
 - o Emergency services nearby?
 - o Recreational facilities in the neighborhood?
 - o Are school district and/or daycare facilities important to you?
- Property
 - o What amount of acreage would suit you?
 - o How about a single family detached home with small yard?
 - o If yard is not important – can you consider a condo or townhouse?
- Structure
 - o Do you want the exterior to be brick, siding or something else?
 - o If you want a garage, how many cars?
 - o Is a robust kitchen a necessity?
 - o Would you need an office in your home?
 - o Can the house be a 2-story or a ranch?

There are many other questions that could, and should, be answered before you go see your first property. The value of your time cannot be measured. You need to only see houses that could work for you. If they don't work for you for any reason, simply move on to others that possibly could.

Rent? Everybody needs a residence to call home. Perhaps ownership is not the right move for you at this time in your life. If so, we will help find the best rental unit available. Many people are not aware of this, but a realtor can also find you a house or apartment to rent. Having that representation can be huge and the fee is often paid by the landlord at the beginning of the lease. If considering a new rental please contact us for assistance.



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Step 2 – Price Point: What can you afford?

Before you go look at a single property, you need to know how much you can spend to achieve your goal of ownership. Does it make sense to look at a house you can't possibly purchase, get your hopes up, and then get disappointed? That is the opposite of a Win-Win. Please disclose everything possible to us about your current situation. Your trust in us is extremely important and our goal is to protect your best interests. Win Win Realty will always keep your information confidential while insuring you look at property's within your budget. Several significant factors go into what you can afford:

- How much down payment can you put into the purchase?
- What is your gross income?
- Do you have other debts?
- How strong is your credit score?
- Remember to figure in the taxes and insurance for the property.

We have different mortgage professionals who can provide specific advice as it relates to your potential with their institution as far as loan amount, debt to income ratio, interest rates, type and term of loan, etc. However, we feel there are some steadfast rules you need to follow:

- Get pre-approved for a mortgage and do it at more than 1 financial institution if possible.
- Know the 28/36 rule: **The 28** is for your total house expenses. This includes the principal and interest on your mortgage, plus the taxes and insurance on the property. They should stay below 28% of your gross family income. It is not designed to account for utilities. **The 36** is for your total debt. This includes your house expenses, in addition to any other debt you may have. Examples include car loans, student loans, credit card debt, etc. If you have substantial other debt, say 15% of your gross income, this reduces your room for property debt to 21% to stay at the 36% total.
- Calculate what your mortgage can and will be based upon the purchase of the house you like. We have a calculator on our site or simply get us to do it for you. This gives you confidence going into the offer phase.

If you currently have a home and if there is no mortgage on the property, great. You clearly have worked hard to get to this stage in your life and we will gladly help you to sell that home for the most value possible. However, if you want to keep that home and buy a 2nd property we will help you with that. Our goal is to be your personal representative for your real estate needs and whatever aspirations you have. If you need to sell your existing home to get into your new home, we will help you there as well. There are many challenges presented in this scenario, but they are part of dealing in real estate. The details of how we can assist in selling your home is covered in much more detail on our seller's page

In conclusion, it is important to realize that family and friends, as well as your professionals with real estate experience, are there to help you make informed decisions. The goal for Win-Win is to have a client find the right house in the right area for the right price at the right stage in their life.



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Step 3 – The Searching Process

Many people are very aware of technology and the many search engines that exist. Those applications can also assist you in finding potential listings of vacant land and houses within certain areas. However, our mission is to help you filter through the good vs the bad in what is out there. Why waste your time looking through many listings that do not fit your needs, or are out of your price range? That is what you pay us to do for you.

Win Win takes great pride in being able to filter through all the listings available and get to the few that could work for you. After introducing ourselves to you, we will ask you to sit down with us and fill out our custom Buyer's Checklist. This checklist is extremely detailed and includes many things discussed on the website, just with more specifics.

Part of this form will allow us to know things that make our real estate time together more valuable. Searching will be filtered through by us depending on some of the questions answered on the checklist. There may be some properties that closely fit your needs, but may have one or two issues outside the perfect design for you. We can discuss these properties in order to possibly eliminate them, or keep them in your list to visit.

- o We can arrange showings that accommodate your schedule.
- o Eliminate those properties that do not work for you.
- o Track those that are potentials for you to consider making an offer.
- o Do some quick analysis of those potentials from a numbers perspective.
- o Analyze the aesthetics positives and negatives beyond the numbers.



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Step 4 – The Offer

Many factors need to be addressed before submitting an offer to purchase real estate. We have the tools and experience required to make sure you are submitting a professional offer to the seller. Once an offer is made in writing, it is a binding contract to purchase that property. Everything should be written into the contract that concerns you and we will guide you through that.

There could be multiple offers on the property or yours could be the only one at that time. Realize that it is rare to have an offer just be accepted as is without some form of counter-offer. In the end, this boils down to a negotiation between you and the seller for that particular piece of real estate. As part of our Win-Win philosophy we believe it is important to think about the seller's goals and how they compare to your offer. The strategy for you to get the place you want involves thinking about what the seller needs to happen as well.

The seller is required to prepare something called the Seller's Disclosure. This document is an assessment of anything the owner knows has been done to the house since he owned it. Basically an accounting of all main areas related to the house. This form should be reviewed prior to making any offer and we will walk you through that process from top to bottom. Knowing how much to offer is a really big deal. You must consider several issues when determining that price:

- o Comparable Market Analysis (CMA) needs to be done to support your offer – what have other homes in that area sold for recently?
- o If it is a buyer's market and there are other similar homes available this can improve your bargaining position.
- o Do any repairs or renovations need to be performed to prepare the house for you to make it move-in ready?
- o What amount are you comfortable paying for the house?
- o Your maximum allowable purchase price per your credit pre-approval basically controls how high you can go.

Several other options could be available depending upon the receptiveness of both parties. There could be a lease option setup to allow you to rent the home for a certain period of time and part of those rental payments could go toward the purchase price of the house. Perhaps the seller would consider some form of owner financing on the property. In any of these cases, our knowledge and expertise will be valuable in determining the overall cost to you and if it still fits your needs under those circumstances.

Win Win wants to make sure the i's are dotted and the t's are crossed on any offer you make to purchase real estate. The Offer begins the negotiations with the seller and normally requires you to make a cash deposit along with it to show that you are committed to the purchase.



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Step 5 – Due Diligence

If the seller reaches an agreement with you after the offer phase, then you need to perform in order to fulfill your part of the contract. Specific protections will be put into the agreement to help keep you from the unknowns. Most important is the right to have a property inspection. We will always recommend you get an inspection. There are home inspection companies that do nothing except inspect homes as part of purchase agreements. These people do this every day; they are an incredible wealth of knowledge about the workings of any structure. They go through the house and review any potential issues. We cannot urge you strongly enough that you really, really should attend this inspection.

The company representative will review all areas of the functionality and safety of the house. Some of the comments will be very minor in nature, but he or she will point out everything they can uncover during a several hour time-frame. Structural concerns, as well as any significant systems that run the house are most critical. They will review and inspect:

- o The heating, ventilation, and air conditioning (hvac) system(s)
- o Plumbing and drainage throughout the house
- o The electrical system starting at the main panel and analysis of GFI (ground fault interrupters) in the appropriate places
- o Potential areas of water damage from plumbing and/or storm runoff
- o Overall structural integrity, both inside and outside

If the property is inspected and something major is discovered to be a problem with the house, this gives you the opportunity to go back to the seller and ask for something to be corrected. Or possibly, if very severe, to cancel the contract to purchase the place. This is one of the protections we will make sure you have upon making the offer. The cost to conduct this inspection will usually range between \$300-\$500 and is paid for by you. It provides tremendous protection for you. We will recommend using this tool in 100% of our buyer representations.

However, if nothing significantly bad comes out of the inspection process, then you will need to get your funding in place.

There will probably need to be an appraisal of the property done by a licensed appraiser in the state of Pennsylvania in order to support your loan. There will be other paperwork required to support your loan document as well. The financial institution representative will coordinate those items. We will help answer any questions you have during and throughout that process. But quite often you will need to talk to the rep to get the specific answers to any concerns you may have about the loan.

Another part of a real estate purchase involves insuring your new asset. You will need to purchase a homeowner's insurance policy that protects against any loss/damage to the property. Your loan officer will require this policy to be in effect in order to close on the transaction and provide you the funds to purchase. Win Win will be there to help you understand your responsibilities so that when the closing date arrives you are completely relaxed and excited about signing the documents. As opposed to stressing over all that goes into a real estate purchase.



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Step 6 – The Closing

Pre-closing responsibilities can sneak up on you quickly. We consider a big part of our responsibility to you as your realtor to make sure you are prepared for all that could occur. Some areas of concern were reviewed in the due diligence page, but there are many more:

- o Communication is the biggest key. Make sure you are in constant communication with your lender and us. Return all phone calls and reply to all emails as timely as possible. This cannot be stressed highly enough. Don't ever assume something is done, make sure it is done or being worked on and will be addressed promptly.
- o Control your purchases until closing. If you go spend significant money on things for your new house prior to closing, it could totally ruin your chance to purchase it. Check with your financial institution during this time before buying anything substantial.
- o Make sure your homeowner's insurance policy goes into effect on the date of closing.
- o Schedule any utility transfers – electric, gas, water, sewer, etc. You don't want any of these things to get shut off by the seller and not have them function properly for you after closing.
- o Request certified funds from your bank that you will need to bring to the closing. Do this several days ahead of time.
- o The bank will require you to purchase title insurance. Title insurance is defined as a policy issued by an insurance company guaranteeing that the title to a parcel of real property is clear and properly in the name of the title owner, and that the owner has the right to deed the property (convey or sell) to another. Should a problem later arise with the title (such as an inaccurate description), the insurance company will pay the damages to the new title holder or secured lender, or take steps to correct the problem.

If you have all the pre-closing items together, then on the day of closing you can use the following protocol:

- o Conduct a walk-through with your realtor to verify the condition of the house is the same as when placed under contract.
- o Know the location where the closing is taking place. You want to eliminate any dynamics. If it is a title company, have directions in hand.
- o Please remember to bring photo identification, certified funds, a copy of your insurance policy, and any other documents requested by the lender when you arrive.
- o Usually the title company rep will go through the entire closing document paperwork with you. Listen and pay attention, you are signing them and you need to understand what they require of you. Ask questions if you need to know more about a particular form.
- o Get your keys and have a game plan on when you should move in.



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Step 6 – The Closing (Continued...)

Once you have closed on your home, it is now your investment and you need to pay special attention to maintaining it properly. We will be happy to provide some local advice and/or referrals for local businesses in your area to perform certain services you may require.

Congratulations on purchasing your property. There is great responsibility in owning your own home and with it comes rewards. The benefits include:

- o Potential long-term appreciation of the property
- o Each principle portion of the mortgage payment builds equity
- o Certain tax deductions for property taxes and/or interest paid on the loan
- o Freedom to make changes in your home such as remodeling, having things repaired by vendors of your choosing, or possibly even doing an addition onto your house

There are numerous issues that need to be addressed when purchasing a piece of real estate. Many points were covered in this step by step guide on our website. The most important thing to take from all of this information is that a licensed realtor from Win Win is ready, willing, and able to help you navigate through the entire process from start to finish.

Call us today to setup an appointment.