

A Homeowner's Transaction Overview: Step-by-Step

1. Speak to a real estate agent who has the REALTOR® designation.

(REALTORS® are real estate agents who have professionally vowed to follow specific codes of conduct with clients, and with other agents.)

This initial conversation should entail your family's goals & timeline. Your chosen REALTOR® can also provide insight on the current market conditions. Provide a home tour of your property, noting any improvements you have made, as well as any "latent" defects. Likely your agent will then need a day or two to calculate her CMA (Comparative Market Analysis). She will review the sold properties similar to your home's location & condition, as well as your home's competition to provide a suggested list price for your home.

2. Prepare your property for market.

After reviewing your home, and sold comparables, your agent can provide you with improvements to make your home more marketable & competitive. Decide on what is feasible, make a completion deadline, and get to work!

3. Officially list your home & prepare for Buyer showings!

This is an exciting & somewhat stressful time! Having strangers walk through your home can be unnerving. (Ensure any sensitive paperwork, medications, and anything else you would not want someone to see in a secure & private space.) Set your boundaries on showing notice, and ask your agent for feedback from each showing. Don't take feedback personally, use the knowledge gained to make adjustments at the home, if needed.

4. You received an Offer to Purchase to your home!

Your agent will present the offer with its topline items; of course Purchase Price will be a main item in the offer, but other terms can weigh heavily in an offer as well. Such as: Are they paying cash with a quick closing...or borrowing 100% of the price with a longer closing date? Is the Buyer asking for you to pay any of their closing costs? Are they completing a home inspection with the option to back out depending on the results? Do they have a home to sell prior to closing with this property? These are called "contingencies", and directly affect the negotiation tactics. Compare the offer and its terms with your main goals. You have the choice to accept the offer, counter with varying terms, or reject. (This "back-and-forth" continues until all parties agree or choose to walk away.)

5. A ratified contract has been created...Now What?!

The Buyer's agent will collect the Earnest Money Deposit. This is an agreed upon amount of money that is provided in good faith that the Buyer's intent to "perform" on the contract. This amount is held in escrow until closing, and will be used towards the Buyer's costs at closing. This EMD is also collateral if the Buyer defaults on the contract. Your agent will alert you of the important dates & deadlines everyone agreed to within the contract. If financing, the Buyer will have a certain number of days to submit their application. If they plan on having a home inspection, they have a specific timeframe to have that inspection completed, with any requested repairs to negotiate. Your agent should provide a review of all action items agreed upon.

6. Home Inspection:

If the Buyer has requested a home inspection, they will schedule it shortly after ratifying the contract. You will be alerted of the appointment. It is standard that the Seller leaves the home at this time to give the inspector, Purchaser, and her agent privacy.

7. The Buyer's lender will also order their appraisal for the property.

You will be alerted of this appointment as well. It is a good idea or the Seller, or Seller's agent to be present, to update the appraiser of any improvements, or other notable items regarding the transaction. (The Purchaser pays for this appraisal.) The appraisal validates the home's value to the bank. Their lender wants to ensure that the property's value is equal to or more than what they are financing.

8. The Buyer's chosen Settlement attorney will complete what is called a Title Search.

The title search follows the land, and researches its history & condition of title. They should discover any easements or encumbrances against the property that may affect the use or enjoyment of the land. If a "defect" is found, it is standard that the Owner has a set amount of time to rectify said defect, or the Buyer can have the option to terminate the contract.

9. The Seller, or Seller's agent, is responsible for ordering the preparation & completion of the new Deed of Ownership.

The seller chooses his preferred attorney. If you don't have a preferred attorney, your agent can provide a recommended list.

10. Termite Inspection.

Your agent will schedule the Buyer's lender required pest inspection. The seller pays for this inspection at closing.

11. The Buyer's lender provides the final loan commitment.

(This means that all of their borrowing criteria has been received & approved. Basically, all of their financial info has been validated, double checked, and approved, the property's title is clean, and the appraisal complies.)

12. The buyer will schedule their final "walk through".

This is a moment prior to closing when the Buyer ensures everything is in the same condition as it was during the showing and home inspection period. This is also usually when any negotiated repairs are checked for completion.

13. CLOSING DAY!

Bring your Driver's License & all keys associated with the property you are selling. Bring the bank account details for where you want the transaction funds deposited. You will sign all transfer documents at this time. *Take Note* The transaction isn't officially complete until the settlement company records it at the local courthouse, but here locally, the standard is to exchange keys & best wishes at this time. (Your funds will be dispersed after recording.)



Consult with a Westhills REALTOR® that is local to the area.
Discuss your family's real estate needs & expectations.

YOUR goals & Timeframe

Local Market Conditions

Comparative Market Analysis with recommended pricing.

Overall assessment of your property's condition, with suggested improvements.

Get your property ready for market



List your property for sale...Let the Buyer showings begin!

You've received an OFFER to PURCHASE. Topline items to consider...



Price

How are they paying for the home?

Contingencies

Settlement Date

You will then either accept, counter, or reject their offer. This process continues until there is a "meeting of minds" and an agreement between both parties is made.



Ratified Contract!... Now what?

Your agent will provide important dates & deadlines stated in the contract. She will also confirm the delivery of the Buyer's Earnest Money Deposit.



Home Inspection:
The Buyer hires and pays for this report. Items found can be requested and then negotiated with Seller.



Appraisal: The Buyer's mortgage lender will order the appraisal. Buyer pays for appraisal in their closing costs.



Buyer chooses their preferred Settlement company or attorney. The title will be searched for any "blemishes", liens, etc.

Seller chooses and pays attorney for new Deed of Ownership.

Complete Home Inspection items.



Seller to have Termite Inspection completed.



Lender to provide Buyer's Final Loan Commitment.

The Buyer will complete a home walk-through. Schedule transfer of utilities.



Settlement/Closing: Legal property transfer papers are signed. (Usually keys are exchanged at this time,) but the transaction is not officially done until it is recorded at the local courthouse. Funds will be dispersed after recording.



RELAX & CELEBRATE!

