

MARKET SOURCE

REAL ESTATE

Home Buyer Guide



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What Sets Us Apart From Other Real Estate Brokerages?

With direct experience in virtually every facet of the real estate industry, Market Source Real Estate agents are extremely knowledgeable about EVERY aspect of owning, selling and purchasing homes. We have a huge focus on education and community involvement to stay abreast of all industry and community news and developments that directly affect our buyers and sellers.

We take a holistic approach with our clients and consider every detail of buying or selling a home and how it will affect our client's lives. Buying and selling homes tends to be one of the largest financial transactions of a person's life. Finances aside, choosing to sell or purchase a home affects a person's health and lifestyle as well. As community leaders, we are aware of schools, local amenities and local environmental issues that can exist in an area which effect our home sellers and buyers.

We understand home construction and sustainability and can advise our clients of improvements that exist in a home or can be made to make a home more efficient, healthy or just more beautiful. Our experience in renovating homes and being able to advise our clients has been proven to be a benefit to our buyers and sellers.

Monique Higginson
Principal Broker
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Monique Higginson has been selling homes since 2002 through some of the best and the worst markets in recent history. Monique understands the stresses of buying and selling homes as she has personally owned 20 homes.

Monique has developed significant home pricing expertise working as a Valuation Analyst for a mortgage servicing company, valuing thousands of homes in her career. She holds a broker's license and holds a Certified Negotiation Expert designation, a GREEN Realtor Designation and a Certified Residential Specialist Designation. While Monique is obsessed with real estate, her free time is spent with her three children and husband and her interests include golfing, skiing, gardening and volunteering.

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Jeremy Higginson
Associate Broker
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Jeremy Higginson has been in the real estate business since 2000. Jeremy started with flipping houses before moving into mortgage financing. With the many different types of loans and scenarios from short term, fixed rate, jumbo, and seller financing Jeremy has helped his clients find the right loan for their needs.

He managed two different mortgage companies and their employees before retiring from mortgage financing and started selling real estate full time. His experience in financing created a deep understanding of the mortgage finance markets and he is able to help find ways to finance deals that other agents simply wouldn't understand.

Today Jeremy and his wife, Monique own and operate Market Source Real Estate, a small boutique real estate brokerage located in the Sugar House neighborhood in Salt Lake City. They work together as a team and their combined 25 years of real estate sales experience shows in everything they do. They occasionally still flip homes when the opportunity arises. Jeremy has certifications as a GREEN Realtor as well as a Short Sale and Foreclosure Specialist. His experience in flipping homes allows him to explain the value to his sellers on how to stage and make minor to major repairs in order to gain the highest returns.

When Jeremy is not working you might find him spending time with his family of twin boys and their older sister. He is almost always training for a race of some kind. You might find him running the streets and parks of Sugar House and the Liberty Park area. He was a college swimmer at the University of Utah and has since competed in marathons, triathlons, and long distance open water swim races.

The Home Buying Process

Getting Pre-Approved For A Mortgage Loan

The process of buying a home or investment generally starts with getting pre-approved for a mortgage loan. If you do not know a lender, we can refer you to some lenders so that you can pick the one you feel most comfortable with. Getting pre-approved for a loan is essential as it will help establish the price range of homes that we will show you and ensure that you can actually qualify to purchase a home.

In the pre-approval process, the lender will look closely at your credit and verify your income (as opposed to pre-qualification, for which your information is not verified). The lender then gives you a pre-approval letter, which says that your loan will be approved once you make a purchase offer on a home, and once you submit the following documents – the purchase contract, the preliminary title information, the appraisal, and your income and asset documentation (and often many more documents). Getting a pre-approval is not an absolute guarantee that your loan will be approved.

There are three stages of the mortgage application process: pre-qualification, pre-approval, and the mortgage loan commitment.

Pre-Qualification

Getting pre-qualified is an informal process in which you are interviewed by a mortgage professional about your income and expenses. This gives you a general idea of the price range you can afford. It is in no way a commitment for a loan approval.

Pre-Approval

When you are pre-approved for a mortgage, it means that a lender has looked closely at your credit report, your employment history and your income and has then determined which loan programs you qualify for, the maximum amount that you can borrow, and the interest rates you will be offered.

Your mortgage lender is not, however, the one who will ultimately approve your loan. That is the loan underwriter's job, and these days underwriting is automated. In order for your loan representative to submit your application for pre-approval, you must provide your last two years' tax returns, W-2s, your most recent pay stubs, bank account statements, and a signed authorization to order your credit report and can include many other items. The automated underwriting system or manual underwriter will deliver a pre-approval letter, and will list any conditions that need to be met for full approval.

Mortgage Loan Commitment

A lender will issue a loan commitment after both you and the property you intend to purchase are approved. After reviewing all of the necessary documentation to verify your ability and willingness to repay the loan, your loan representative will submit your complete application to the underwriter. The underwriter will return one of four decisions: approval, approved with conditions, suspended (which means they need more documentation from you before they can make a decision), or denied.

Looking For A Home

Once you have been pre-approved for a loan and you know how much you can and want to spend on a home, the next step is to find and view the homes that most closely fit your needs. We will find homes available on the MLS for you, but sometimes the home you are looking for is available but is not actively advertised in the market. It will take some investigation and hard work to find all available properties that might fit your needs. After said properties are identified, we will arrange to show you the homes of your choosing. We work hard to make viewing homes convenient for your schedule and have several agents in our office available for home showings so you don't miss out on seeing your perfect home before it is sold to another buyer.

Choosing The Right Home

The "right" home means different things to different people. We can help you find the right home by providing information about each home and showing you several homes that might work for you. We can provide local community information on utilities, zoning, schools, crime rates, etc. You will need to decide if the home you choose provides the environment you want for a home or investment.

In Salt Lake City we have homes built from 1870-brand new so the location in Salt Lake that you choose may dictate the age range of home you will buy. If you are not handy it might not make sense to buy a home in a historic area unless you purchase one that has been completely remodeled and upgraded. It is also important to determine if the home you want to purchase will be able to be re-sold if you need to sell at some point? A bad location or poor floor plan can cause problems for resale value in the future and should be considered.

It is recommended that you create a top 10 home feature wish list (might include location, a garage, 3 bedrooms, etc.) Be realistic for your budget! If you get 4 things on your list in a home you will be lucky unless you have a 1 million dollar budget. The higher the budget or the further you go into the suburbs, the more home you will get for your money.

The saying "location, location, location" cannot be disputed. In addition to thinking about home features, finding a home that fits your lifestyle is critical for your long term happiness. Neighborhood features to consider are walkability, local school ratings (good schools are directly tied to resale value potential), convenience to amenities (shopping, parks, restaurants) and access to public transportation.

Negotiating The Purchase

There are many negotiating factors, including price, financing, terms, date of possession and often the inclusion or exclusion of appliances, fixtures and furnishings that are addressed in a real estate purchase contract.

Depending on the market cycle, season and location of a home you wish to put an offer in on, you will need to consider many items before making your offer. If a home is in a high demand area where multiple offers are common, it is prudent to make your best, cleanest offer first with as little contingencies as possible. This may help you be more competitive, especially if there are competing offers. If you are in a slower or less desirable market where marketing times are higher, you may have more leverage to negotiate. You may be able to ask the seller to pay closing costs on your behalf, as well as pay for a home warranty and possibly other concessions.

Any real estate purchase contract you sign should also provide a period of time for you to complete inspections and investigations of the home before you must complete the purchase of the home. This is called the due diligence period in Utah. We can advise you as to which investigations and inspections are recommended or required.

Due Diligence Condition

With a negotiated, accepted contract in hand, it is time to complete a home inspection and any other tests or research about the home that are deemed appropriate as part of your Due Diligence contingency in the purchase contract. You should take Due Diligence/Inspections seriously as, once you close on your home you will be responsible for its condition and/or problems (the exception would be an item that the seller failed to disclose; but the burden of proof is on the buyer).

Homeowner's Insurance

Shortly after putting a home under contract you should contact your homeowner's insurance company (or ideally your auto-insurance company that might offer homeowner's so you can get a multi-policy discount). Ask them for a quote and ask them if the property is in a flood zone and if it has had prior claims. If you are interested you may also ask for a quote for earthquake insurance if that is important to you. Only about 20% or less of our clients purchase earthquake insurance.

Home Inspection

Depending on the area and the home, inspections may include an overall home inspection as well as additional inspections for termites, radon, roof condition, sewer scope, assessing moisture conditions, etc. We can assist you in finding qualified professionals to do most or all of the appropriate inspections for a specific home. You will also want to see a preliminary report on the title of the property to ensure that the seller does indeed have the right to transfer the title to you and to ensure that there are no liens on the home from contractors, etc.

Why Get A Home Warranty Plan?

Whether you are buying your first home or selling a home and moving into another, a home warranty could be a valuable protection for your finances and your peace of mind. In real estate transactions in Utah it is very common for buyers to ask sellers to pay for a home warranty.

There are many home warranty companies, but our favorites are:

Landmark Home Warranty

<http://www.landmarkhw.com>

First American Home Warranty

<https://homewarranty.firstam.com>

Home Warranty Coverage

Some homeowners get frustrated by a home warranty because they assume they can hire anyone they want to make a repair and that if something is broken or old they can simply have the item replaced by the warranty policy. Home warranties offer important protection from unexpected repair bills, but they won't usually be enough to replace an item that has worn out, had pre-existing problems or were improperly maintained.

Warranties vary from company to company, but in general they cover:

1. Kitchen appliances such as your range or oven, dishwasher and built-in microwave
2. Garbage disposals
3. Plumbing including a whirlpool tub
4. Sump pump
5. Water heater
6. Ceiling fans and exhaust fans
7. Heating and electrical system components

An enhanced warranty is usually needed to cover your refrigerator, air conditioning system, refrigerator, washer and dryer, and a garage door remote. You can also pay for optional coverage of items such as a swimming pool or septic system.

Seller Disclosures

In Utah, sellers are required to fill out a set of standard disclosure forms, and then give these to the buyers, usually within a week of accepting a purchase contract. These disclosures provide a wide range of information, such as the seller's knowledge of any zoning or legal violations on the property, legal actions affecting the property, location within a tax Greenbelt, damage to the roof, past-due utility payments, problems with culinary water, damaged sewer or septic tanks, damaged heating and cooling devices, damaged equipment, damaged features, damaged appliances, damaged fireplace or stove, termite damage, rot, mold, remodeling that affected a significant portion of the home, structural defects, boundary disputes, easements, electrical defects, water damage, hazards, toxins, location within the governance of a homeowners association (HOA), past-due assessments to the HOA, and any property damage claims reported to an insurance agency. Most sellers also take special care to disclose that square footage estimates are estimates only and what the source of the estimate is.

The reason for these disclosures is simple. While most home buyers conduct an inspection prior to purchasing a home, many of them also discover defects after closing. At that point, however, it's difficult for them to bring suit against the seller for failure to disclose these defects unless they can also prove that the seller committed fraud. By disclosing as many defects as possible before the closing,

sellers can actually increase buyers' awareness of issues with the home and reduce the chances of a fraud suit.

HOA disclosures if buying a condo

As part of the Seller Disclosures if you are purchasing a condo, the seller is obligated to furnish you with the HOA CCR's, Budget, Financials and last HOA meeting minutes. This will help you to determine if the HOA has sufficient reserves for upcoming repairs and will give you an idea if the HOA is being properly managed.

Financing and Appraisal Condition

As soon as you put a home under contract, the process of obtaining a mortgage loan begins. We can help you in understanding different home financing options and we will help keep your lender on track in order to meet the financing contingency deadline and closing deadline. It is imperative that you are responsive to lender requests for documentation in order to get your loan approved on time. We find that the most successful, timely real estate transactions happen when the buyers order home inspections immediately after signing a contract. This is helpful to ensure that the appraisal can be ordered and keep the loan on track, which ensures that the buyer has a strong conditional loan approval prior to their financing and appraisal deadline.

The appraisal must be completed prior to the deadline. If the home does not appraise for the purchase price or more, the lender would require the buyer to pay the difference between the appraisal value and the purchase price. Most of the time, if a home does not appraise for the purchase price, we can negotiate with the seller to reduce the purchase price to the appraisal value.

The financing deadline protects your earnest money until the deadline if, for some reason you are denied for a mortgage loan (job loss, etc.). After the financing deadline and before the settlement deadline, you have no remaining contingencies and your earnest money will be at risk if you decide not to purchase the home.

What Happens At Settlement/Closing?

Settlement, often referred to as the "closing" occurs when all of the following have been completed: (a) Buyer and Seller have signed and delivered to each other or to the escrow/closing office all documents required by the REPC, by the Lender, by the title insurance and escrow/closing offices, by written escrow instructions (including any split closing instructions, if applicable), or by applicable law; (b) any monies required to be paid by Buyer or Seller under these documents (except for the proceeds of any new loan) have been delivered by Buyer or Seller to the other party, or to the escrow/closing office, in the form of cash, wire transfer, cashier's check, or other form acceptable to the escrow/closing office.

For purposes of the purchase contract, "Closing" means that: (a) Settlement has been completed; (b) the proceeds of any new loan have been delivered by the Lender to the Seller or to the escrow/closing office; and (c) the applicable Closing documents have been recorded in the office of the county recorder. Once closing is completed, the ownership will be transferred to the buyer and the seller and buyer can move!

Be sure to change the utilities into your name for the day of closing as often the seller will disconnect them for the day of closing.

Congratulations! You Purchased A Home. Now What?

After you purchase a home you may feel exhausted or excited. Regardless of how you feel, there will be a lot of details to take care of. Ultimately you will likely need services of a mover, contractor, painter, electrician, designer or other industry professional. We have a full list of service providers that we can refer you to, so please understand that we are here for you *after the sale* too. Please contact us anytime, for any reason. We strive to be a long term resource for you-during your whole term of homeownership. We also try to give you valuable, long term real estate resources including our website and neighborhood facebook pages to keep you updated about any community events, developments, etc.

Service Guarantee

We stand by our mission and promises. If, for any reason you are unhappy with our services during the marketing of your home, you may fire us at any time with no penalties or fees paid to our company. We pride ourselves on fabulous service. Many of our clients are so happy with us that they post reviews on websites such as Zillow.com, Trulia.com, Google +, Facebook.com and directly to our website, SaltLakeOpenhouse.com.

Testimonials of our service

"We had the pleasure of working with Monique during the process of purchasing a house. She was incredibly knowledgeable of all current trends of the market and guided us with professionalism and competence into making the right decisions every step of the way. She puts her clients best interests first and really manages to provide you with all the needed information to make an informed decision . Monique listens closely to her clients and works very hard to find properties to show them that truly resonate with what they are looking for. I recommend her strongly as your best guide for all your real estate needs."
Greta M.

"Selling this house was an estate sale for someone who had passed away, working with children of the deceased owner. We couldn't have found anyone better to work with in this particular situation. Monique is professional all the way. She was on top of current neighboring market trends so that we knew how to set the asking price. She listed our house on Saturday, we had three bids on Monday, one of which was the final buyer. I have recommended her to anyone I know wanting to work with someone of her caliber."
Vicki H.

"They always make me feel like I am their most important client by taking the time to listen to me and understand my needs. They helped us find our dream home while we were living out of the state, and the house was off market. They are true experts in their field and I trust them completely for all my, and my families real estate needs. Thank you Monique and Jeremy!"
Kristina H.

"We recently sold our mother's home using Market Source Real Estate. Monique is not only extremely knowledgeable about the Sugar House and East bench areas, she also has a wealth of resources available to help make the sale of your home as seamless and easy as possible. Due to her advance marketing, my mother received a full price offer on her home the day prior to it being put on the market. Everything closed and money in the bank within 10 days. If you are in the market to sale or buy a home, I would highly recommend this group."
Sharon H.

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“Jeremy and Monique were incredible agents for us back in Spring 2015. They are very customer oriented, they made sure the house we bought was the one that we wanted and had all the elements we were looking for. Market Source worked so hard for us and were a great asset and advocate to have in the search for a new house, the service was top notch. They have an immeasurable amount of knowledge when it comes to the Salt Lake City market and that expertise in the market got us a great price on a great home. If you’re looking for an agent to help buy or sell, I strongly suggest a call to Market Source.”

Andrew H.

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