

HOW TO: **BUY YOUR FIRST HOME**



BY AARON ROBBINS

(828) 855-6514

EXECUTIVE BROKER

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1.

WHY BUY INSTEAD OF RENT?

For many people, renting feels like the safe, flexible choice—no long-term commitment, no maintenance headaches, no property taxes. But while renting may seem simpler on the surface, it often comes at the cost of long-term financial growth and personal freedom.

Here's why buying a home is one of the smartest decisions you can make.

1. You're Building Equity, Not Someone Else's Wealth

When you pay rent, you're essentially helping your landlord pay down their mortgage and build equity in their property. Every rent check you write is money you'll never see again. In contrast, when you own a home, each mortgage payment builds your own equity—like a savings account you live in. Over time, your home can increase in value through appreciation. Your mortgage balance goes down, and the value of your house goes up.

2. Predictable Payments That Work for You

With a fixed-rate mortgage, your monthly payment stays steady over the life of the loan. So if you buy a house for \$200,000, and after 5 years it is worth \$240,000, you are still making the same \$200,000 house payments— despite the new value of your home. Rent, on the other hand, tends to increase year after year—often with little warning. Buying offers financial stability you can count on, which makes it easier to budget and plan for the future.

3. Tax Advantages Can Put Money Back in Your Pocket

Homeownership comes with several tax perks that renters simply don't get. Depending on your situation, you may be able to deduct things like:

Mortgage interest

Property taxes

Certain closing costs

These deductions can add up to thousands of dollars in tax savings each year.

4. Freedom to Make It Your Own

When you rent, you're limited by your lease and your landlord's preferences. If you get a new furry friend, let's hope the landlord is okay with it! But as a homeowner, you get to make the space your own—whether that's painting the walls, remodeling the kitchen, or planting a garden. It's more than just property—it becomes your personal space to grow, create, and thrive.

5. A Step Toward Generational Wealth

Real Estate has created more millionaires than any other industry— and I'm not talking about selling it, I'm talking about buying it. Buying a home is often the first big step toward building wealth—not just for yourself, but for future generations. A home can be passed down, sold for profit, or even used to leverage future investments. Renting doesn't offer that same kind of legacy potential.

Final Thought

Renting may feel easier in the short term, but owning a home opens doors to financial strength, personal freedom, and long-term stability. If you're financially ready—and especially if you're paying high rent—it might be time to ask, Why keep renting when you could be investing in your future instead?

2.

UNDERSTANDING THE BUYING PROCESS

Buying a home is one of the biggest financial decisions you'll make—and it can feel overwhelming without a clear roadmap. Here's a brief overview of the key steps in the process, so you know what to expect from start to finish.

1. Pre-Approval

Before you begin your home search, it's essential to get pre-approved by a lender. This gives you a clear picture of what you can afford and shows sellers you're a serious buyer. It can also help streamline the process once you're ready to make an offer.

2. Home Search

With your pre-approval in hand, we can begin searching for homes that fit your needs, lifestyle, and budget. This includes browsing online listings, researching neighborhoods, and narrowing down your must-haves and dealbreakers.

3. Home Showings

Once you've identified properties you're interested in, I can assist with scheduling showings so you can walk through the homes in person. This is your chance to get a real feel for the space, ask questions, and imagine yourself living there.

4. Writing an Offer

When you find the perfect home, I will help you write a competitive offer. This includes not just the price, but also

terms like closing date, contingencies, and earnest money. Once submitted, the seller may accept, reject, or negotiate.

5. Inspections & Due Diligence

After an offer is accepted, you'll enter the due diligence period. This is when you schedule any inspections to check for potential issues and confirm the property's condition. You can negotiate repairs or back out of the deal based on the findings.

6. Closing

Closing is the final step where all documents are signed, the loan is finalized, and ownership officially transfers. You'll also pay any remaining costs, such as down payment and closing fees. After closing, the home is yours!

7. Post-Closing

After you close, it's time to move in and make the house your home. Keep a record of your documents, follow up on any remaining repairs, and start settling into your new neighborhood. Congratulations—you're a homeowner!

3.

GETTING PRE APPROVED

Getting Pre-Approved or Pre-Qualified is the first step of the home buying journey. This step can seem tedious, but your local lender can walk you through everything they need.

A pre-qualification is the lighter of the two. It means that based off of the information you provided them, you can afford X amount of house.

A pre-approval is typically best for serious buyers. It is essentially a promise-to-lend as long as none of your criteria changes prior to closing. This will be provided to you after the lender checks all of your details, such as credit, income, debt-to-income ratio, etc. It's a much better alternative to the pre-qualification because even if you try to be completely honest in the pre-qualification, there's almost always something that is unintentionally left out that changes the amount they are able to loan.

To find your best terms possible, it is a good idea to try getting pre-approved at 2-4 different lenders. Each lender will need to pull your credit in order to complete this task, but as long as they are all within a couple days, it will only count as 1 hard-pull— so you can check 4 different lenders and it will affect your credit as much as if you just checked one. But by checking four different ones, you can see who has the best interest rates, down payments, assistance programs, and many times they will even be willing to compete with each other to get you the best rate.

Here are some reasons why it is best to get pre-approved before searching for homes:

- It is fast, easy, and free
- Know what price range you're really in, and what the monthly payment will look like
- Know what your interest rate will be, and how that will effect your monthly payment
- Know if you need a down payment, and how much it will be
- Pre approvals are often required by sellers to submit an offer on their house. They want to know the buyer is able to buy
- Pre approvals are sometimes required just to show a property, some sellers only want the most serious buyers touring their home
- Avoid surprises later on

4.

SEARCHING FOR HOMES

Once you're pre-approved and ready to start the search, it's time to dive into the exciting part—finding the home that fits you. This chapter helps you approach the process with clarity and confidence.

Know Your Priorities

Start with a list of what matters most to you: location, price, size, number of bedrooms, yard space, commute times, schools, or style of home.

Divide them into two categories:

Must-Haves, and *Nice-to-Haves*

This helps focus your search and avoid wasting time on homes that don't meet your needs.

Be Realistic About Your Budget

It's easy to fall in love with a home that's just out of reach.

Stick to your pre-approval amount and don't forget to factor in taxes, insurance, and utilities. A good home within budget is better than a perfect one that stretches you too thin!

Use Online Tools—But Don't Rely Solely on Them

Sites like Zillow, Realtor.com, and the MLS search portal (what I will use to help search) are great starting points. But not every home is listed online immediately, and photos don't always tell the full story.

Keep an Open Mind

It's rare to find a home that checks every single box. Be open to different layouts or neighborhoods you hadn't considered. Often, a home with potential (and a little vision) can become your perfect fit.

Communicate With Me!

I am your advocate in this process. The more I understand your priorities and preferences, the better I can tailor the search and save you time. Be honest about what you like and don't like after each showing.

5.

TOURING PROPERTIES

Touring homes is where the experience of home buying becomes real. You're not just looking at listings on a screen anymore—you're stepping into spaces that could one day be yours. It's exciting, but it also requires a thoughtful and intentional approach.

Before heading to a showing, it's helpful to come prepared. Have a general checklist or list of must-haves and deal-breakers fresh in your mind, and bring something to take notes with—whether it's a notepad or a notes app on your phone. After seeing a few homes, they can start to blend together, so jotting down quick impressions can make comparing easier later.

As you walk through each home, try to look past staging and decor. While a beautifully furnished home can be impressive, it's important to focus on the fundamentals: the layout, room sizes, storage space, flow between rooms, and overall condition. Is the natural light appealing? Can you picture your day-to-day routine in that space? Functionality and livability should outweigh temporary finishes or furniture. Don't ignore the small things. Look for signs of wear or neglect—such as stains on the ceiling, sloping floors, or musty odors—which may indicate larger underlying issues. As your agent, I will keep you informed about things such as the age of the roof, HVAC system, water heater, and other major components. These details may not be glamorous, but they can save you thousands down the line.

Equally important is evaluating the neighborhood. Try driving or walking the surrounding area. How's the traffic? Is it noisy? Are nearby homes well-maintained? The community a home sits in will impact your day-to-day quality of life just as much as the home itself.

It's perfectly fine—and wise—to take your time. Open doors, step into closets, check water pressure, and imagine where your furniture would go. Visualizing your life in the space can help clarify whether or not it's a true fit.

Touring homes isn't about finding perfection; it's about discovering possibility. The right home might not look exactly as you imagined, but when it's right, you'll know.. Stay observant, ask questions, and trust your gut along the way!

6.

WRITING AN OFFER

Once you find the perfect home, the next step is to submit your offer to purchase to the seller. There are many things to consider, and working closely with your agent gives you the best odds of forming a competitive offer that keeps your best interest in mind.

There is no “one size fits all” offer. The terms that you choose to offer will be based on how long the house has been listed, how many of your boxes the home checks off, how competitive the property is, and how accurately it is priced.

Some of the terms on the offer will be the purchase price of course, as well as the deposit amounts (we will get into that in the next chapter), the inspection period (due diligence), the proposed closing date, closing attorney, and seller paid concessions.

Depending on your specific situation, there can be creative ways to prioritize different terms of your offer to make it competitive. For example, if you are sure you want to buy the house and nothing will change your mind, but you want them to come off of the price more, you could create a very competitive offer by offering more deposit money upfront so the seller is confident you will close, and offering a smaller purchase price. Some sellers will gladly share what

they are looking for in an offer, whether it be maximizing profits, a quick closing, no repairs to be made, or something else.

One main term of the offer that deserves some more attention, especially for first time buyers, is the seller paid concessions. This is your opportunity to ask the seller to help you pay some of the closing costs, which can be several thousands of dollars. It may sound like a strange concept, but it is actually very common practice. This can be very simple to negotiate on a property that has been listed for a while. But even if the property is fresh on the market and still very competitive, you can still make it work. For example, if the selling price is \$200,000 but you need \$5,000 of your closing costs to be paid in order to afford the home, you could offer the seller \$205,000 and ask for them to pay that \$5,000. At the end of the day, they are making the same amount they would have, and you are essentially bundling those closing costs into your mortgage.

7.

UNDERSTANDING THE DEPOSITS

When you make an offer on a home in North Carolina, two key payments often come into play early in the process: the Due Diligence Deposit and the Earnest Money Deposit. Both demonstrate your commitment as a buyer—but they serve different purposes and come with different rules.

The due diligence deposit is a non-refundable payment made directly to the seller at the time the offer is accepted. This deposit essentially buys you a period of time—known as the due diligence period—during which you can do your homework on the property. That means inspections, appraisals, securing financing, and anything else needed to decide if you want to move forward with the purchase.

Because the due diligence deposit is non-refundable, it's a sign of serious intent. But if you complete the purchase, the money is credited back to you at closing. In essence, it's a show of good faith that gives you the right to walk away during due diligence—for any reason—without legal penalty (though you won't get that money back).

The earnest money deposit, on the other hand, is held in a third-party escrow account—usually by the closing attorney. This money is also credited to you at closing, but it's slightly more protected than the due diligence deposit. If you terminate the contract during the due diligence period, you typically get your earnest money back. But if you back out after the due diligence period ends for a reason not allowed by the contract, you may forfeit this deposit too.

The rule of thumb used to be that each of the deposits should be about 1% of the purchase price. So on a \$200,000 home, that would be \$2,000 DD and \$2,000 EM. However, this is hardly accurate in the market today. In fact, buyers don't have to offer any deposits! Typically, sellers will want to see some skin in the game though. For a house that has been on the market for longer and the seller is ready to get rid of it, they will be willing to take smaller (or sometimes no) deposits, whereas a house just listed will be looking for stronger terms.

Together, the due diligence and earnest money deposits reassure the seller that you're a committed buyer while giving you time and flexibility to evaluate the home. These funds also offer sellers some protection against a buyer pulling out of a deal late in the process.

	Due Diligence Deposit	Earnest Money Deposit
Who receives it	Paid directly to the seller	Held in escrow (by attorney)
When it's paid	Once the offer is accepted	Once the offer is accepted
Refundable?	No, except in VERY rare circumstances	Yes, if buyer backs out during due diligence period
Credited back to you at closing?	Yes	Yes
Purpose	Pays the seller to take the property off the market so buyer can perform inspections, etc.	Protects the seller in case buyer decides to terminate the offer late into the purchase period
Risk for buyer	Higher	Lower
Importance to seller	Higher	Lower
Mandatory?	No	No

8.

INSPECTIONS AND DUE DILIGENCE

Once your offer is accepted, you enter a critical phase of the home buying process: the due diligence period. This window gives you the opportunity to fully investigate the home and your ability to purchase it. Three major components come into play: inspections, due diligence activities, and the appraisal.

The home inspection is one of the most important steps you'll take during this phase. A licensed home inspector will assess the property's major systems—roof, foundation, plumbing, electrical, HVAC, and more—to identify any existing or potential issues. You'll receive a detailed report outlining the condition of the home.

If major concerns are found, you can use the report to request repairs, renegotiate the price, or decide to walk away from the deal entirely. Keep in mind, cosmetic flaws are common in resale homes. What you're really looking for are structural issues, safety concerns, or costly repairs. Depending on the home and location, you might also consider specialty inspections, such as for pests, radon, mold, or septic systems.

Beyond inspections, the due diligence period is when you should also:

- Finalize your mortgage application
- Review HOA documents (if applicable)
- Research insurance options
- Get a survey or verify property boundaries
- Confirm zoning or land use if future changes are planned

This is your time to ensure you're fully comfortable with the home, the neighborhood, and your financial commitment. If something doesn't add up, you have the right to walk away—but only during this window.

The appraisal is ordered by your lender to determine the fair market value of the home. It protects both you and the lender from overpaying. If the home appraises for less than the purchase price, your options typically include:

Renegotiating the price

Paying the difference out of pocket

Terminating the contract (if allowed under the terms)

Appraisal results can sometimes lead to tough decisions, but they're an essential part of ensuring you're making a wise investment.

The due diligence period is your opportunity to inspect, investigate, and confirm everything about the property before fully committing. It's your safeguard against surprises—and your final chance to walk away with minimal financial risk.

9.

CLOSING

Closing day is when everything officially becomes yours—but it's more than just picking up the keys. This chapter explains what to expect as you approach the final steps of the home buying process.

Closing (also called "settlement") is the final stage in the transaction where ownership of the home transfers from the seller to you, the buyer. It's when all the legal documents are signed, payments are finalized, and the deed is recorded. In North Carolina, closings are typically handled by a closing attorney rather than a title company, as is the case in some other states. The attorney plays a central role in ensuring all documents are accurate and funds are properly disbursed.

Before you reach the closing table, several key things happen:

- Title Search & Insurance: The attorney conducts a title search to confirm the seller has clear ownership of the property. Title insurance protects against future disputes or claims.
- Loan Finalization: Your lender prepares your final loan documents, verifies all financial details, and provides a Closing Disclosure outlining all your costs.
- Final Walkthrough: Typically done 24–48 hours before closing, this is your chance to make sure the home is in the agreed-upon condition and that any requested repairs were completed.

On the day of closing, you'll meet with the attorney to sign your loan documents, settlement statements, and the final deed. Bring your photo ID and any funds required for closing—usually via a certified check or wire transfer. These funds may include your down payment, closing costs, and any prorated fees like taxes or HOA dues.

Once all documents are signed and funds are received, the attorney will record the deed at the county courthouse. At that point, the home is officially yours!

Closing costs typically range from 2% to 5% of the purchase price and may include:

- Lender fees (origination, underwriting)
- Appraisal and credit report fees
- Title search and title insurance
- Attorney fees
- Escrows for taxes and insurance
- Recording fees

Your lender is required to give you a Closing Disclosure at least three business days before closing. Review it carefully to ensure everything matches what you've been told.

Closing is a major milestone—but it's also a detailed process. By staying informed, asking questions, and working closely with your agent and attorney, you can approach it with confidence and excitement. After all the searching, paperwork, and waiting... this is the moment you've been working toward.

10.

POST CLOSING AND MAINTENANCE

Congratulations—you're officially a homeowner! But while closing is the end of the buying journey, it's the beginning of your time as a property owner. Taking care of your home after closing is essential for preserving its value, preventing costly issues, and getting the most out of your investment.

Once you've closed, you'll want to take care of a few immediate steps:

- Secure important documents: Store your deed, closing disclosure, inspection reports, and loan documents in a safe place.
- Transfer utilities: Ensure water, electric, gas, internet, and trash services are set up in your name.
- File for Homestead Exemption (if applicable): In North Carolina, some counties offer property tax relief for owner-occupants.

Regular home maintenance protects your investment and keeps your systems running smoothly. Consider creating a maintenance calendar that includes:

- Monthly tasks: Changing HVAC filters, testing smoke detectors
- Seasonal checks: Cleaning gutters, checking roof and foundation, servicing HVAC systems
- Annual care: Deep cleaning appliances, flushing water heater, pest inspections

It's also a good idea to start a home repair fund—setting aside money each month to cover unexpected expenses like a leaky roof or broken appliance.

Over time, you may consider home improvements that increase your property's value. Focus first on upgrades with strong return-on-investment (ROI), like kitchen updates, bathroom remodels, or energy-efficient improvements. Keep records and receipts for all work done; they'll be helpful if you ever refinance or sell.



ABOUT THE AUTHOR

Aaron is a proud Catawba County native, raised in the heart of Hickory, North Carolina. He obtained his real estate license at just 19 years old, demonstrating his early passion and dedication to the industry. Since then, Aaron has built a career as a trusted Real Estate Broker, leveraging his deep knowledge of the local market to guide clients through seamless and successful transactions. His commitment to excellence, paired with his genuine care for helping individuals and families achieve their real estate goals, makes him a standout professional in the community.

Ready to buy your first home? I would be happy to help! You can reach me any time on my cell, (828) 855-6514.