

BUYER'S GUIDE

CARDON VANORMAN

LICENSED REALTOR & INVESTOR

Hi, I'm Cardon VanOrman, a dedicated real estate professional serving Northern Utah. My goal is to make the home-buying process as enjoyable and smooth as possible for every client I work with. As a trusted realtor, I offer expertise and personalized service to help you achieve your real estate goals. With a focus on integrity and results, I'm committed to guiding you through every step of the process with confidence and care. Let me be your trusted partner in your journey to finding or selling your ideal property.

Outside of real estate, I have a loving wife Kenzley who supports me in everything I do. I am also a dog dad to a cocker spaniel named Whiskey. I'm a sports enthusiast with a special love for football. Let's team up and find your dream home!

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real
Real Broker, LLC

THE HOME BUYING PROCESS

1 BUYER CONSULTATION APPOINTMENT

The purpose of the initial appointment is to understand your “needs and wants” as a buyer. During this appointment, the entire home buying process will be discussed.

2 GET PRE-APPROVED

A pre-approval creates an opportunity for you to not just understand what you qualify for, but ultimately to decide what you can afford.

3 HOME SEARCH

Helping you find a home is a process of elimination. Sometimes viewing homes that you may not like but match your criteria is not a waste of time; it helps build a frame of reference to help you find what’s most important.

4 WRITE THE OFFER

Work with your Realtor® to review comparable sales in the area, and negotiate on your behalf.

5 DUE DILIGENCE

After the contract is fully accepted and all terms are agreed upon, you can have your inspection(s) performed. The inspection(s) will give you a far greater understanding of the property you are purchasing.

6 APPRAISAL

Once you've completed your Due Diligence, an appraisal will be performed by a third party at the request of the mortgage company. This ensures the property's value meets or exceeds your offer price.

7 SETTLEMENT

Once the appraisal is performed and mortgage approved, the settlement date and time will be set for the final documents to be signed. Within 24 hours prior to settlement, you can have a final walk-through where you will re-inspect the property to ensure it is in an acceptable condition and that any personal property conveying is present.

8 HOME DELIVERY

Upon the conclusion of the paperwork and transfer of ownership, you will receive the keys, garage door openers, and any documents/warranties that convey with the property. You will then become the rightful owner. It’s time to move in!

WHAT IS BUYER AGENCY?

Buyer Agency refers to a legal relationship between a potential homebuyer (that's you) and a real estate agent or broker. In this relationship, the agent or broker (known as the Buyer's Agent) represents your interests during the home-buying process.

Much like Listing Agreements are entered into with sellers, the relationship between a buyer and the Buyer's agent is typically formalized through a Buyer Broker Agreement.

This legal document outlines the duties and obligations of both the agent and you, the buyer. It includes details like the duration of the agreement, the geographic area for your home search and details of the agent's compensation.



KEY RESPONSIBILITIES OF A BUYER'S AGENT

Fiduciary Duties: As your buyer's agent, I have fiduciary responsibilities to you. This means I must act in your best interests, with loyalty, confidentiality, and care. I prioritize your needs and work to ensure that you get the best possible outcome in your home-buying endeavor.

Property Search and Coordination: I not only assist in searching for properties that fit your criteria, but I also schedule and attend viewings, provide insights into the local real estate market, and communicate with the various listing agents to help gather as much information as possible.

Expert Advice: I offer expertise in various areas such as market trends, neighborhood information, property values, financing incentives, and pricing strategies. I can also interpret complex real estate documents and contracts to ensure proper protections and safeguards are integrated for your specific situations.

As a buyer's agent, my role in coordinating the purchase process is comprehensive and involves several key responsibilities:

Handling Paperwork and Managing

Documentation: I manage all the necessary paperwork and documentation involved in the purchase process. This includes drafting and reviewing addendums, amendments, disclosures, and ensuring all contract elements are correctly executed. My expertise lies in making sure that every document reflects your interests and needs accurately.

Timelines and Deadlines: I meticulously track and adhere to all time frames and deadlines stipulated in the contract. It's my job to ensure that every step, from the offer submission to the closing, happens within the agreed-upon schedule. This includes prompt communication and follow-ups with all involved parties.

Managing Contractors: If repairs or improvements are needed, I can help manage interactions with contractors, obtain quotes, and ensure work is completed satisfactorily.

Navigating the Closing Process: I guide you through the entire closing process, which includes finalizing financing, reviewing closing documents, and ensuring all legal and financial obligations are met. I am prepared to tackle any unexpected hurdles or curve ball that might arise.

Guidance on Complex Legal Contracts:

I provide detailed guidance on the complexities of legal contracts involved in buying a home. My role is to demystify the legal jargon and ensure you understand the implications of what you're signing, protecting your rights and interests at every stage.

Coordinating Inspections: I coordinate various types of inspections necessary for your prospective home, including general home inspections, pest inspections, and any specialized assessments that may be required. It's crucial to identify any potential issues that could affect your decision or negotiation position.

Review of Inspection Findings: After inspections, I review the findings with you, advising on the significance of each aspect. If there are issues, I strategize on the best course of action, whether it's negotiating repairs, asking for credits, or re-evaluating the offer.

Final Walk-Through: Before closing, I conduct a final walk-through with you to ensure the property is in the agreed condition and that all terms of the sale are met.

Providing Ongoing Information and Recommendations: Throughout this process, I offer continuous information, recommendations, and advice on what is customary in the market. This includes sharing insights into market trends, data, and past sales which might influence your decisions.



Support and Advice: I am your steadfast advocate and advisor from the beginning to the end of the home-buying process. My goal is to make this journey as smooth and successful as possible, ensuring that you are informed, comfortable, and confident in your decisions.

Negotiation: Besides negotiating the price, terms, and conditions of the sale, I often strategize and negotiate several other aspects when writing offers for you. These can be crucial in making an offer more appealing to the seller or in ensuring that your interests are well-protected. Here's a rundown of these additional aspects:

- **Closing Date:** I may negotiate the closing date to align with your schedule or financial planning, including coordinating with your lease end, sale of your current home, or availability of funds.
- **Contingencies:** I negotiate crucial contingency clauses, including home inspection, financing, sale of current home, appraisal, and others.
- **Repairs and Credits:** Based on the home inspection, I may negotiate for repairs or credits to be made by the seller.
- **Inclusions and Exclusions:** Negotiating which fixtures or personal property are included or excluded from the sale.
- **Rent-Back Agreement:** If the seller needs more time to vacate, a rent-back agreement can be negotiated.
- **Closing Costs:** In some cases, I negotiate for the seller to pay a portion or all of your closing costs.
- **Warranty:** Requesting a home warranty paid for by the seller.
- **Escalation Clauses:** In a competitive market, I may add escalation clauses to automatically increase your offer.
- **Earnest Money:** Negotiating the amount of earnest money deposit to show the seriousness of your offer.
- **Title and Survey:** Ensuring clear title and negotiating who pays for title insurance and survey.
- **Closing Location and Time:** Sometimes, I can negotiate the location and time of the closing to make it more convenient for you.

Coordination of the Purchase Process: I coordinate the extensive purchase process, organize inspections, ensure deadlines are met, and act as the liaison with other professionals involved in the transaction like mortgage brokers, attorneys, insurance agents, title companies, home inspectors, and other vendors.



BENEFITS TO YOU:

Representation: I ensure that your interests are represented in the transaction.

Access to Resources: I have access to extensive real estate listings, including many "off-market" properties.

Save Time and Stress: I handle the heavy lifting of the home-buying process, saving you time and reducing stress.

Negotiation Power: I have negotiation skills and experience critical in getting a favorable deal.

Guidance and Support: I guide you through every step, providing support and advice, particularly helpful for first-time buyers.

THINGS TO CONSIDER:

- ✂ Honesty is the best policy. I am always going to tell you the truth, good, bad, or ugly. It goes both ways.
- ✂ Contracts are binding and legal. Once you sign, it's legitimate.
- ✂ We are on the same team, and I will ALWAYS advocate for you and your best interests. Trust is essential to a team. Ultimately, all decisions are yours, and my job is to give you all of the information, tools, and resources you need to make the best decision possible.
- ✂ We must make decisions in a timely manner. Frequently in Real Estate, if you sleep on it, you won't ever sleep in it. There are lots of decisions that will need to be made quickly. That's why I am here.
- ✂ Real Estate is my full-time job and now your part time job. Flexibility is necessary when buying or selling a home.

UNDERSTANDING HOW BUYER AGENTS GET PAID:

ALTERNATE COMPENSATION MODELS:

1

Negotiating Commission with the Seller:

If we encounter a listing that is NOT offering a commission to buyer agents, and you still want to consider the property, one approach I can take is to negotiate with the seller or the seller's agent to include my buyer's agent commission in the terms. This can be part of the overall negotiation process when making an offer on the property.

2

Adjusting the Purchase Offer:

Another strategy could be to adjust the purchase offer to indirectly cover the commission. For example, if the home is listed for \$300,000 and the typical commission would be \$9,000, we could offer \$309,000 with the condition that the seller pays a \$9,000 commission to the buyer's agent. This way, the net to the seller remains the same and your commission obligations are rolled into the overall price of the home.

3

Seller Concessions:

A seller concession is an agreement where the seller agrees to pay a portion of the closing costs on behalf of the buyer. This can include various fees associated with purchasing a home, such as loan origination fees, appraisal fees, points, etc, reducing your upfront out-of-pocket expenses, potentially making the home purchase more affordable to account for direct pay commission obligations.

4

Buyer Pays Commission Direct:

In cases where the seller refuses to pay the buyer's agent commission, and it cannot be built into the purchase price, you as the buyer may be responsible to pay the commission directly. This would be something we'd discuss and agree upon before moving forward on a property and it will be stipulated in our buyer's agency agreement.

OR ANY COMBINATION OF THE ABOVE

LET'S TALK FINANCING

Affordability Assessment for Home Purchase

It's vital to assess your financial capacity for a home purchase before starting your search.

This assessment helps in setting achievable goals by focusing on homes within your budget, thus streamlining the search and avoiding potential disappointments. It also plays a significant role in financial planning, taking into account the total cost of homeownership including mortgage, taxes, insurance, and upkeep. This ensures a sustainable investment over time.

Additionally, being aware of your budget can enhance your credibility with sellers, potentially giving you leverage in a competitive market. It also helps in avoiding financial overreach, ensuring a more comfortable and rewarding home buying experience.



Maintaining a Strong Credit Score

Follow these strategies to bolster your credit score:

Punctual Payment: Avoiding late or missed payments is crucial for maintaining a good score.

Balanced Credit Utilization: It's advisable to keep your credit card balances below 30% of the limit.

Manage New Credit Accounts: Frequent applications for new credit can temporarily lower your score.

Diversify Credit Portfolio: A mix of different credit types can positively influence your score.

Monitor Credit Reports: Regular checks and correcting any errors can help maintain a healthy score.





Preparing for Home Purchase Expenses

Key costs to consider include:

Down Payment: Typically ranging from 3% to 20%, though some programs offer 0% down options.

Closing Costs: These usually range from 2% to 5% of the loan amount.

Home Inspection: Essential for identifying potential issues, costs will vary but are about \$500+.

Moving Costs: These depend on the distance and the amount of belongings.

Initial Home Maintenance: Budget for potential immediate needs like painting or minor repairs.

The Importance of Mortgage Pre-Approval

Securing pre-approval is a crucial early step in the home-buying process.

It involves a lender evaluating your financial situation to determine a feasible loan amount. This not only indicates your seriousness as a buyer but also clarifies your purchasing budget.

Essential documents for pre-approval include:

Income Proof: Recent pay slips and tax documents.

Asset Proof: Statements from banks and investment accounts.

Credit Analysis: Lenders will assess your credit score.

Employment Confirmation: Verification of your current job.

Identification: Government-issued ID like a driver's license or passport.

This process not only sets a realistic purchasing limit but also strengthens your negotiating position when making offers.



How Much Is It Actually Costing

Earnest Money Deposit

Due Within 4 Days Of Contract Acceptance

Typically the EMD amount is determined based on the purchase price. In our market 1-2% of the purchase price is common. It can be delivered via wire transfer (usually there's a \$20-30 fee included) or cashier's check. This will become part of your downpayment and is not an additional fee.

Down Payment

Due At Settlement

The amount you will need for a downpayment is determined by the type of loan you qualify for. FHA is a minimum of 3.5% whereas conventional loans can range anywhere from 3 - 20%. Ask your preferred lender for options available.

Home Inspection

Due At Time Of Inspection During Due Diligence

I always recommend hiring a home inspector for at least a general inspection. The cost ranges from inspector and details such as the size of the home and type(s) of inspections. I typically see \$300 - \$500 for a general inspection, payable by cash or check. This is an additional fee.

Appraisal

Due At Time Appraisal Is Ordered

Like home inspections, appraisals also range on the appraisers and size of the home. They are hired by the lender to ensure that the property is worth what they are lending to the borrower, they range from \$400 - \$1000.

Closing Costs

Due At Settlement

Closing costs are the fees included for escrow, title, and lender services. They range from 2 - 5% of the purchase price.

IMPORTANT!!!

You will pay for a home inspection report and an appraisal report (if financing) which is non-refundable (approximately \$1,000+) if these services are completed, even if you do not end up buying the home.