

THE BUYER'S GUIDE

What You Need to Know Before You Buy

*From pre-approval to closing — a clear, honest guide
for buyers in Upper Northwest DC, Bethesda, and Northern Virginia*

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Sherine on Your Side

What do you actually need to know before buying a home in Upper Northwest DC, Bethesda, or Northern Virginia?

More than most buyers expect. The process involves financing decisions, legal contracts, inspection negotiations, and market timing — all moving at once. This guide walks you through each stage clearly, so you arrive at every step prepared rather than reacting to surprises.

What This Guide Covers

- 1. How the buying process actually works — step by step
- 2. Getting pre-approved and what lenders are really evaluating
- 3. Understanding your budget beyond the purchase price
- 4. How to evaluate neighborhoods and property types
- 5. Making competitive offers in a DC Metro market
- 6. Inspections, appraisals, and what happens after ratification
- 7. Closing costs, timelines, and what to expect at settlement
- 8. How buyer representation works and why it matters
- 9. What to watch for in DC, Maryland, and Virginia specifically
- 10. Common buyer mistakes — and how to avoid them

1. How the Buying Process Actually Works

Most buyers underestimate how many decisions are made before they ever tour a home. The sequence matters — and getting it right sets up everything that follows.

The stages in order:

- **Pre-approval first.** Before you tour anything seriously, you need a pre-approval letter from a lender. Without it, sellers in competitive DC Metro markets will not accept your offer — and in some cases, listing agents will not schedule a showing.
- **Define your priorities.** Price range, property type, neighborhoods, must-haves vs. nice-to-haves. The clearer you are before you start, the less time you spend on homes that will not work.
- **Active search.** Touring homes with intention — not just browsing. Each home you see calibrates your sense of value and sharpens your decision-making for the next one.
- **Offer and ratification.** Writing, submitting, negotiating, and reaching a signed contract.
- **Under contract.** Inspection, appraisal, financing confirmation, and title work — the 30–45 day period where most transactions either succeed or encounter problems.
- **Settlement.** Signing documents, transferring funds, receiving keys.

Each stage builds on the last. Buyers who skip or rush the early steps often find themselves making compromised decisions later under time pressure.

2. Getting Pre-Approved — What Lenders Are Really Evaluating

A pre-approval is not just a formality. It is the foundation of your buying position. In Upper Northwest DC and Bethesda, sellers receive multiple offers on well-priced homes. A strong, verified pre-approval — especially from a lender known in this market — signals that you are a serious, qualified buyer.

What lenders evaluate:

- **Credit score.** Conventional loans typically require a minimum of 620–640, though scores above 740 unlock the most favorable rates. Check yours before you start — and dispute any errors well in advance.
- **Debt-to-income ratio (DTI).** Lenders compare your monthly debt obligations against your gross monthly income. Most programs cap DTI at 43–45%. Student loans, car payments, and credit card minimums all factor in.
- **Employment history.** Two years of consistent employment in the same field is the standard benchmark. Self-employed buyers typically need two years of tax returns.
- **Assets and reserves.** Lenders want to see that your down payment funds have been in your account for at least 60 days. Large unexplained deposits raise questions.
- **What to avoid until after closing.** Do not open new credit accounts, make large purchases on credit, change jobs, or co-sign any loans. Any of these can affect your final loan approval even after ratification.

Pre-approval vs. pre-qualification:

Pre-qualification is a rough estimate based on self-reported information. Pre-approval involves verified documentation — tax returns, pay stubs, bank statements — and carries real weight with sellers. In this market, pre-qualification alone is not sufficient.

3. Understanding Your True Budget

Your purchase price is one number. Your actual cost of buying is another. Buyers who only plan around the purchase price often encounter surprises at settlement and in the months that follow.

Costs to plan for beyond the purchase price:

Cost	Typical Range	Notes
Down payment	3.5–20%+ of purchase price	Conventional loans: 5–20%. FHA: 3.5%. VA/USDA: 0% (if eligible)
Closing costs	2–4% of purchase price	Includes lender fees, title insurance, recording fees, and transfer taxes
Home inspection	\$800+ depending on property	Starting at \$800 for a standard single-family home; higher for condos with additional systems, larger properties, or specialty inspections (sewer, radon, etc.)
Appraisal fee	\$500–\$900	Required by lender for financed purchases
Moving costs	\$1,500–\$5,000+	Varies significantly by distance, volume, and service level

Immediate repairs / updates	Variable	Budget a contingency of 1–2% of purchase price for the first year
Property taxes (DC, MD, VA)	Varies by jurisdiction	DC and MD rates differ from VA — confirm with your lender's escrow estimate

4. Evaluating Neighborhoods and Property Types

In the DC Metro market, neighborhood selection is often as consequential as the home itself. Two properties at the same price point in different areas can look very different on paper — and perform very differently as investments over time.

Upper Northwest DC neighborhoods to understand:

- **Spring Valley and Wesley Heights** offer larger lots, substantial square footage, and easy access to both the Virginia and Maryland borders — making them a practical choice for buyers who work or have connections on either side of DC. Wisconsin Avenue and Massachusetts Avenue NW provide walkable retail, dining, and services.
- **Forest Hills and Cleveland Park** sit along Connecticut Avenue NW with direct Metro access at the Cleveland Park and Van Ness stations. Properties here range from pre-war apartment buildings to detached homes on tree-lined streets.
- **AU Park, Tenleytown, and Friendship Heights** offer strong walkability, access to the Tenleytown Metro, and a mix of single-family homes, rowhouses, and condominiums at a range of price points.

Bethesda and Chevy Chase MD:

The Maryland side of the border — particularly Bethesda and Chevy Chase MD — offers larger homes at competitive prices relative to Upper Northwest DC. Property tax structures differ between DC and Maryland, which affects the true cost of ownership. Buyers crossing the border should compare both the purchase price and the carrying costs before narrowing their search.

Northern Virginia:

Arlington, Alexandria, and McLean serve a different buyer profile — often commuter-oriented, with strong access to the Metro's Orange, Blue, and Silver lines and proximity to federal and defense employers. Condominium inventory in Clarendon and Crystal City tends to be more affordable than comparable DC product.

Condo vs. single-family:

Condominiums come with HOA fees that affect your monthly carrying cost and your debt-to-income ratio. In DC, listing agents typically do not have the condo resale package available for buyers to review before making an offer. Once you are under contract, you have 3 business days to review the resale package — and within those 3 days you can walk away from the contract for any reason or no reason at all, with your earnest money returned. Use that window to review the building's financials, reserve fund, meeting minutes, and any pending special assessments before you are committed.

5. Making Competitive Offers in This Market

Writing an offer is not simply choosing a number. In Upper Northwest DC and Bethesda, well-priced homes frequently receive multiple offers within the first week. Understanding what makes an offer competitive — beyond price — is the difference between winning the home you want and losing it to a buyer who structured their offer better.

Elements of a strong offer:

- **Purchase price.** In a competitive situation, your offer price should be informed by recent comparable sales, current competition, and how long the home has been on market. Escalation clauses — which automatically increase your offer up to a set ceiling if a competing offer comes in — are common in DC and Maryland.
- **Earnest money deposit.** A higher deposit signals commitment and financial strength. Standard earnest money in this market is 3–5% of the purchase price.
- **Contingencies.** Inspection, appraisal, and financing contingencies are all standard protections — but each one gives sellers a reason to prefer another offer. Waiving contingencies carries risk; the decision should be informed and intentional, not made under pressure.
- **Closing timeline.** Sellers often have a preferred settlement date. Matching their timeline — or offering flexibility — can be as valuable as a higher price.
- **Pre-approval letter.** Submit a lender-verified pre-approval with your offer, not just a pre-qualification. In competitive situations, sellers and their agents evaluate the strength of your financing alongside the price.

Appraisal gap coverage:

In markets where offers regularly exceed list price, appraisal gaps are common. If a home appraises below the agreed purchase price, your lender will only finance up to the appraised value. Appraisal gap coverage — where the buyer commits to covering the difference up to a stated amount — reassures sellers that the deal will hold. This is increasingly expected in competitive DC Metro situations.

6. After Ratification — Inspections, Appraisals, and Contingencies

Once your offer is accepted and the contract is ratified, the work is not done — it is entering its most critical phase. The 30–45 days between ratification and settlement is where transactions succeed or fall apart.

Home inspection:

Schedule your home inspection within the first 5–7 days of ratification. A licensed inspector will evaluate the structure, roof, mechanical systems, electrical, plumbing, and visible conditions throughout the property. The report will list findings by severity — from minor maintenance items to material defects that require immediate attention.

You have options after reviewing the report: request repairs, ask for a credit at closing, negotiate a price reduction, or accept the home as-is. Not every finding warrants a request — understanding which issues are significant versus routine is where experience matters.

Appraisal:

Your lender will order an independent appraisal to confirm the home's market value supports the loan amount. If the appraisal comes in below the purchase price, you will need to renegotiate, cover the gap out of pocket, or exercise your appraisal contingency to exit the contract. Your agent can help support the appraised value by providing relevant comparable sales data — this is part of what experienced representation looks like in practice.

Financing contingency:

Even with a pre-approval, your final loan approval is not confirmed until the lender's underwriting team reviews everything — including an updated credit check and the appraisal. Do not make any financial changes between ratification and closing. This is not the time to buy a car, open a new credit card, or change employers.

Title search:

Your settlement company will conduct a title search to verify that the seller has clear ownership of the property and that there are no liens, unpaid taxes, or encumbrances that would affect your ownership. Title insurance protects you against defects in the title that may not be discovered until after closing.

7. Closing Costs and What to Expect at Settlement

Settlement — also called closing — is the final step where ownership formally transfers. DC, Maryland, and Virginia each handle this slightly differently, and understanding what to expect in your specific jurisdiction prevents surprises.

What happens at settlement:

- You sign loan documents, the deed, and required disclosures
- Your down payment and closing costs are transferred to the settlement company
- The lender funds the loan
- The deed is recorded with the jurisdiction
- You receive the keys

DC-specific notes:

DC imposes both a recordation tax (paid by the buyer) and a transfer tax (paid by the seller). The rates are tiered by purchase price. For sales below \$400,000, both the buyer's recordation tax and the seller's transfer tax are each 1.1% of the sale price. For sales at \$400,000 and above, the rate increases to 1.45% each — making DC transfer costs among the highest in the region. These amounts should be built into your budget before you make an offer. DC settlements are conducted by a settlement attorney or title company. Your lender will provide a Closing Disclosure at least three business days before settlement, itemizing every cost.

Maryland notes:

Maryland has its own transfer and recordation taxes, which vary by county. Montgomery County — covering Bethesda and Chevy Chase MD — has some of the highest transfer costs in the state. First-time buyers in Maryland may qualify for partial transfer tax exemptions.

Virginia notes:

Virginia's closing costs are generally lower than DC and Maryland on a percentage basis. Virginia uses a grantor's tax (paid by the seller) and a recordation tax (paid by the buyer). Settlement in Virginia is typically conducted by a licensed settlement agent or attorney.

Bring a valid government-issued photo ID to settlement and confirm the wire transfer or cashier's check amount with your settlement company at least 48 hours in advance. Wire fraud is a real risk — always verify wire instructions directly by phone before sending.

8. How Buyer Representation Works

Since August 2024, how buyer's agents are compensated has changed. Under NAR settlement rules, buyers are now required to sign a written buyer representation agreement before touring homes with an agent. This agreement outlines the scope of representation and how the agent will be compensated.

What this means for you:

Seller-paid buyer agent compensation is no longer advertised in the MLS. Whether and how much a seller is willing to contribute toward your agent's fee is now negotiated directly as part of the offer — it is a contract term, not a published figure. In situations where the seller does not offer compensation, the buyer may need to cover some or all of their agent's fee directly. This should be discussed clearly before you begin your search.

What a buyer's agent does:

- **Market analysis.** Evaluates whether a property is priced accurately relative to recent comparable sales before you make an offer.
- **Offer strategy.** Advises on price, terms, contingencies, and structure based on what the specific market and seller situation call for.
- **Negotiation.** Represents your interests through the offer, inspection response, and any renegotiations that arise under contract.
- **Transaction management.** Coordinates timelines, deadlines, and communications between lenders, inspectors, attorneys, and the listing agent.
- **Local knowledge.** Context about neighborhoods, building histories, common issues in specific property types, and market conditions that go beyond what is visible in a listing.

I work with a limited number of buyers at any given time — by design. Every client gets direct access to me, not a team member, throughout the process. If you are buying in Upper Northwest DC, Bethesda, Chevy Chase, or Northern Virginia, I know these markets in the detail that protects your investment.

9. What to Watch For in DC, Maryland, and Virginia

The DC Metro market spans three jurisdictions, and each has its own rules, contracts, and customs. If you are open to buying across the border, understanding these differences protects you.

Washington, DC:

DC uses the DC Association of Realtors contract, which differs in structure from Maryland and Virginia forms. DC has a strong tenant protection framework — if the property is tenant-occupied, the tenant may have a right of first refusal under the Tenant Opportunity to Purchase Act (TOPA). Verify occupancy status before making an offer on any DC property.

Maryland:

Maryland uses two different contracts depending on jurisdiction. Montgomery County — uses the GCAAR (Greater Capital Area Association of Realtors) contract, which is structured similarly to the DC contract. The rest of Maryland uses the MAR (Maryland Association of Realtors) contract. Property tax rates in Montgomery County differ from other Maryland counties. Maryland requires specific home inspection notices and disclosures. Condo buyers should review the resale package provided by the association, which contains

essential financial and governance information.

Virginia:

Virginia is a caveat emptor state — buyers bear more responsibility for independent due diligence. Sellers disclose known latent defects but are not required to complete the comprehensive disclosure forms used in DC and Maryland. Buyers in Virginia should conduct a thorough inspection and not assume that silence on the disclosure form means there are no issues. HOA resale packages in Virginia must be reviewed carefully — they contain information about assessments, rules, and financial health that directly affects your purchase.

10. Common Buyer Mistakes — and How to Avoid Them

Most buyer mistakes are not dramatic. They are quiet decisions made without full information — often early in the process — that create problems later.

- **Starting the search before getting pre-approved.** In this market, you will lose homes to buyers who are already positioned. Pre-approval first, always.
- **Stretching to the top of your budget.** Buying at the absolute ceiling of your pre-approval leaves no room for rate changes, closing cost surprises, or immediate repairs. A buffer of 5–10% below your maximum keeps options open. Keep in mind that you do not lock in your interest rate until you have a ratified contract in hand — the rate you were quoted during pre-approval may be different by the time you are ready to lock. Build that variability into your budget from the start.
- **Skipping the inspection to win a bidding war.** Waiving your inspection contingency removes your contractual ability to negotiate repairs or exit based on findings. This is a risk decision — not a routine one. If you know you are likely to be in a multiple-offer situation, consider scheduling a pre-offer inspection before submitting. It is less costly than a full inspection, though it does not provide a full written report — it gives you a general sense of the property's condition so you can make an informed decision about waiving the inspection contingency rather than going in blind.
- **Falling in love with one home before ratification.** Emotional attachment before a signed contract leads to overpaying and overlooking problems. Stay analytical until the ink is dry.
- **Making financial changes after ratification.** New credit accounts, large purchases, or job changes can jeopardize your final loan approval. Nothing changes financially until after closing.
- **Not reading the condo documents.** HOA financials, meeting minutes, and pending assessments are not optional reading. A condo with deferred maintenance or a thin reserve fund is a liability that follows you after closing.
- **Underestimating closing costs.** Ask your lender for a Loan Estimate early in the process so you have an accurate picture of settlement costs specific to your price point and jurisdiction.

The buyers who navigate this market most successfully are the ones who come in prepared, ask questions before they need the answers, and work with someone who has closed enough transactions in these specific neighborhoods to anticipate what comes next.

Frequently Asked Questions

How long does the buying process take from start to close?

From the time you begin actively searching to the time you close, the typical timeline in this market is 60–120 days — depending on how quickly you find the right property and whether the transaction is straightforward. The period from ratification to closing is typically 30–45 days. Cash purchases can close faster.

Do I need a buyer's agent, or can I work directly with the listing agent?

You can work directly with the listing agent — but that agent legally represents the seller's interests, not yours. In a transaction where the same agent represents both parties (dual agency), your negotiating position is fundamentally different. Working with your own representation gives you someone whose sole obligation is to protect your interests throughout the transaction.

What is the minimum down payment for homes in this price range?

Conventional loans typically require 5–20% down. FHA loans allow 3.5% with a qualifying credit score. In Upper Northwest DC and Bethesda, where median prices are well above the national average, even a 5% down payment is a significant sum — and the higher your down payment, the better your rate and monthly payment. Jumbo loan thresholds also apply in this market, which can affect both requirements and rates.

Ready to start your search the right way?

Call or text me directly at **202.536.4043** — or visit **sherinemonir.com**.
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