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# Buyer Guidebook

**Sotheby's**  
INTERNATIONAL REALTY





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## THE BASICS

# 7 Reasons To Own A Home

### 1. TAX BENEFITS

The U.S. Tax Code lets you deduct the interest you pay on your mortgage, your property taxes, and some of the costs involved in buying a home.

### 2. APPRECIATION

Historically, real estate has had a long-term, stable growth in value. In addition, the number of U.S. households is expected to rise 10 to 15 percent over the next decade, creating continued high demand for housing.

### 3. EQUITY

Money paid for rent is money that you'll never see again, but mortgage payments let you build equity ownership interest in your home.

### 4. SAVINGS

Building equity in your home is a ready-made savings plan. And when you sell, you can generally take up to \$250,000 (\$500,000 for a married couple) as gain without owing any federal income tax.

### 5. PREDICTABILITY

Unlike rent, your fixed-rate mortgage payments don't rise over the years so your housing costs may actually decline as you own the home longer. However, keep in mind that property taxes and insurance costs will likely increase.

### 6. FREEDOM

The home is yours. You can decorate any way you want and choose the types of upgrades and new amenities that appeal to your lifestyle.

### 7. STABILITY

Remaining in one neighborhood for several years allows you and your family time to build long-lasting relationships within the community. It also offers children the benefit of educational and social continuity.

## THE BASICS

# 7 Reasons To Work With A REALTOR®

REALTORS® aren't just agents. They're professional members of the National Association of REALTORS® and subscribe to its strict code of ethics. This is the REALTOR® difference for home buyers:

### 1. ETHICAL TREATMENT

Every REALTOR® must adhere to a strict code of ethics, which is based on professionalism and protection of the public. As a REALTOR®'s client, you can expect honest and ethical treatment in all transaction-related matters. The first obligation is to you, the client.

### 2. AN EXPERT GUIDE

Buying a home usually requires dozens of forms, reports, disclosures, and other technical documents. A knowledgeable expert will help you prepare the best deal, and avoid delays or costly mistakes. Also, there's a lot of jargon involved, so you want to work with a professional who can speak the language.

### 3. OBJECTIVE INFORMATION AND OPINIONS

REALTORS® can provide local information on utilities, zoning, schools, and more. They also have objective information about each property. REALTORS® can use that data to help you determine if the property has what you need. By understanding both your needs and search area, they can also point out neighborhoods you don't know much about but that might suit your needs better than you'd think.

### 4. EXPANDED SEARCH POWER

Sometimes properties are available but not actively advertised. A REALTOR® can help you find opportunities not listed on home search sites and can help you avoid out-of-date listings that might be showing up as available online but are no longer on the market.

### 5. NEGOTIATION KNOWLEDGE

There are many factors up for discussion in a deal. A REALTOR® will look at every angle from your perspective, including crafting a purchase agreement that allows enough time for you to complete inspections and investigations of the property before you are bound to complete the purchase.

### 6. UP-TO-DATE EXPERIENCE

Most people buy only a few homes in their lifetime, usually with quite a few years in between each purchase. Even if you've done it before, laws and regulations change. REALTORS® handle hundreds of transactions over the course of their career.

### 7. YOUR ROCK DURING EMOTIONAL MOMENTS

A home is so much more than four walls and a roof. And for most people, property represents the biggest purchase they'll ever make. Having a concerned, but objective, third party helps you stay focused on the issues most important to you.

# Questions To Ask When Choosing A REALTOR®

### 1. HOW LONG HAVE YOU BEEN IN RESIDENTIAL REAL ESTATE? IS IT YOUR FULL-TIME JOB?

Like most professions, experience is no guarantee of skill. But much of real estate is learned on the job.

### 2. DO YOU HAVE ANY DESIGNATIONS OR CERTIFICATIONS?

Real estate professionals have to take additional specialized training in order to obtain these distinctions. Designations and certifications help define the special skills that an agent can apply to your particular real estate needs. One designation buyers should look for is the ABR®, or Accredited Buyer's Representative.

### 3. WHAT'S YOUR BUSINESS PHILOSOPHY?

While there's no right answer to this question, the response will help you assess what's important to the agent and determine how closely the agent's goals and business emphasis mesh with your own.

### 4. WHAT'S THE AVERAGE VARIATION BETWEEN YOUR INITIAL OFFERS AND FINAL SALES PRICE?

This is one indication of a REALTOR®'s pricing and negotiating skills.

### 5. WILL YOU REPRESENT ME EXCLUSIVELY, OR MIGHT YOU CHOOSE TO REPRESENT THE SELLER AS WELL?

While it's usually legal to represent both parties in a transaction, your REALTOR® should be able to explain his or her philosophy on client obligations and agency relationships.

### 6. CAN YOU RECOMMEND SERVICE PROVIDERS WHO CAN HELP ME OBTAIN A MORTGAGE, MAKE HOME REPAIRS, AND SO ON?

Practitioners should be able to recommend more than one provider and let you know if they have any special relationship with any of the providers.

### 7. HOW WILL YOU KEEP ME INFORMED ABOUT THE PROGRESS OF MY TRANSACTION?

The best answer here is a question. A real estate agent who pays close attention to the way you prefer to communicate and responds accordingly will make for the smoothest transaction.

### 8. COULD YOU PROVIDE THE CONTACT INFORMATION OF YOUR THREE MOST RECENT CLIENTS?

Ask their former customers if they would use the agent again in the future.

## THE BASICS

# Vocabulary: Agency & Agency Relationships

The term “agency” is used in real estate to help determine what legal responsibilities your real estate professional owes to you and other parties in the transaction.

The **SELLER'S AGENT** is hired by and represents the seller. All fiduciary duties are owed to the seller, meaning this person's job is to get the best price and terms for the seller. The agency relationship usually is created by a signed listing contract.

The **BUYER'S AGENT** is hired by prospective buyers and works in the buyer's best interest throughout the transaction. The buyer can pay the agent directly through a negotiated fee, or the buyer's rep may be paid by the seller or through a commission split with the seller's agent.

A **SUBAGENT** owes the same fiduciary duties to the agent's customer as the agent does. Subagency usually arises when a cooperating sales associate from another brokerage, who is not the buyer's agent, shows property to a buyer. The subagent works with the buyer to show the property but owes fiduciary duties to the listing broker and the seller. Although a subagent cannot assist the buyer in any way that would be detrimental to the seller, a buyer customer can expect to be treated honestly by the subagent.

A **DISCLOSED DUAL AGENT** represents both the buyer and the seller in the same real estate transaction. In such relationships, dual agents owe limited fiduciary duties to both buyer and seller clients. Because of the potential for conflicts of interest in a dual-agency relationship, all parties must give their informed consent. Disclosed dual agency is legal in most states, but often requires written consent from all parties.

**REAL ESTATE AGENTS** are chosen by a managing broker to act as an exclusive agent of the seller or buyer. This allows the brokerage to avoid problems arising from dual-agency relationships for licensees at the brokerage. The designated agents give their clients full representation, with all of the attendant fiduciary duties.

A **TRANSACTION BROKER** (sometimes referred to as a facilitator) is permitted in states where nonagency relationships are allowed. These relationships vary considerably from state to state. Generally, the duties owed to the consumer in a nonagency relationship are less than the complete, traditional fiduciary duties of an agency relationship.

## THE BASICS

# How To Prepare For House Hunting

### KNOW THAT THERE'S NO "RIGHT" TIME TO BUY

If you find the perfect home now, don't risk losing it because you're trying to guess where the housing market and interest rates are going. Those factors usually don't change fast enough to make a difference in an individual home's price.

### DON'T ASK FOR TOO MANY OPINIONS

It's natural to want reassurance for such a big decision, but too many ideas from too many people will make it much harder to make a decision. Focus on the wants and needs of the people who will actually be living in the home.

### ACCEPT THAT NO HOUSE IS EVER PERFECT

If it's in the right location, the yard may be a bit smaller than you had hoped. The kitchen may be perfect, but the roof needs repair. Make a list of your top priorities and focus in on things that are most important to you. Let the minor ones go. Also, accept that a little buyer's remorse is inevitable and will most likely pass.

### DON'T TRY TO BE A KILLER NEGOTIATOR

Negotiation is definitely a part of the real estate process, but trying to "win" by getting an extra-low price or refusing to budge may cost you the home you love.

### REMEMBER YOUR HOME DOESN'T EXIST IN A VACUUM

Don't get so caught up in the physical aspects of the house itself that you forget about important issues such as noise level, access to amenities, and other aspects that also have a big impact on your quality of life.

### PLAN AHEAD

Don't wait until you've found a home to get approved for a mortgage, investigate insurance, or consider a moving schedule. Being prepared will make your bid more attractive to sellers.

### CHOOSE A HOME FIRST BECAUSE YOU LOVE IT; THEN THINK ABOUT APPRECIATION

A home is still considered a great investment, but its most important role is as a comfortable, safe place to live.



## THE BASICS

# How To Prepare To Buy A Home

### TALK TO MORTGAGE BROKERS

Many first-time home buyers don't take the time to get prequalified. They also often don't take the time to shop around to find the best mortgage for their particular situation. It's important to ask plenty of questions and make sure you understand the home loan process completely.

### BE READY TO MOVE

This is especially true in markets with a low inventory of homes for sale. It's very common for home buyers to miss out on the first home they wish to purchase because they don't act quickly enough. By the time they've made their decision, they may find that someone else has already purchased the house.

### FIND A TRUSTED PARTNER

It's absolutely vital that you find a real estate professional who understands your goals and who is ready and able to guide you through the home buying process.

### MAKE A GOOD OFFER

Remember that your offer is very unlikely to be the only one on the table. Do what you can to ensure it's appealing to a seller.

### FACTOR MAINTENANCE AND REPAIR COSTS INTO YOUR BUYING BUDGET

Even brand-new homes will require some work. Don't leave yourself short and let your home deteriorate.

### THINK AHEAD

It's easy to get wrapped up in your present needs, but you should also think about reselling the home before you buy. The average first-time buyer expects to stay in a home for around 10 years.

### DEVELOP YOUR HOME/NEIGHBORHOOD WISH LIST

Prioritize these items from most important to least.

### SELECT WHERE YOU WANT TO LIVE

Compile a list of three or four neighborhoods you'd like to live in, taking into account nearby schools, recreational facilities, area expansion plans, and safety.

## THE BASICS

# Worksheet: Track Your Budget

The first step in getting yourself in financial shape to buy a home is to know exactly how much money comes in and how much goes out. Use this worksheet to list your income and expenses below.

<b>INCOME</b>		<b>EXPENSES</b>	
Total Take-Home Pay		Total Rent/Mortgage	
Child Support/Alimony		Child Support/Alimony	
Pension/Social Security		Health Insurance	
Disability/Other Insurance		Life Insurance	
Interest/Dividends		Other Insurance	
Other		Vehicle Insurance	
		Vehicle Payments	
		Vehicle Upkeep	
		Other Loans	
		Utilities	
		Credit Card Payments	
		Savings/Pension Payment	
		Groceries	
		Clothes/Personal Care	
		Medical/Dental/Prescriptions	
		Household Goods	
		Childcare	
		Education	
		Charitable Donations	
		Eating Out	
		Entertainment	
<b>TOTAL INCOME:</b>		<b>TOTAL EXPENSES:</b>	

Remaining Income After Expenses (subtract total income from total expenses): \_\_\_\_\_

## THE BASICS

# What To Know About Credit Scores

Credit scores range between 200 and 850, with scores above 620 considered desirable for obtaining a mortgage. The following factors affect your score:

### YOUR PAYMENT HISTORY

Did you pay your credit card bills on time? Bankruptcy filing, liens, and collection activity also affect your history.

### HOW MUCH YOU OWE AND WHERE

If you owe a great deal of money on numerous accounts, it can indicate that you are overextended. However, spreading debt among several accounts can help you avoid approaching the maximum on any individual credit line.

### THE LENGTH OF YOUR CREDIT HISTORY

In general, the longer an account has been open, the better.

### HOW MUCH NEW CREDIT YOU HAVE

New credit—whether in the form of installment plans or new credit cards—is considered more risky, even if you pay down the debt promptly.

### THE TYPES OF CREDIT YOU USE

Generally, it's desirable to have more than one type of credit—such as installment loans, credit cards, and a mortgage.

## THE BASICS

# How To Improve Your Credit

Credit scores play a big role in determining whether you'll qualify for a loan and what your loan terms will be. So, keep your credit score high by doing the following:

### CHECK FOR ERRORS IN YOUR CREDIT REPORT

Thanks to an act of Congress, you can download one free credit report each year at [www.annualcreditreport.com](http://www.annualcreditreport.com). If you find any errors, correct them immediately.

### PAY DOWN CREDIT CARD BILLS

If possible, pay off the entire balance every month. Transferring credit card debt from one card to another could lower your score.

### DON'T CHARGE YOUR CREDIT CARDS TO THE MAX

Pay down as much as you can every month.

### WAIT 12 MONTHS AFTER CREDIT DIFFICULTIES TO APPLY FOR A MORTGAGE

You're penalized less severely for problems after a year.

### DON'T ORDER ITEMS FOR YOUR NEW HOME ON CREDIT

Wait until after your home loan is approved to charge appliances and furniture, as that will add to your debt.

### DON'T OPEN NEW CREDIT CARD ACCOUNTS

If you're applying for a mortgage, having too much available credit can lower your score.

### SHOP FOR MORTGAGE RATES ALL AT ONCE

Having too many credit applications can lower your score. However, multiple inquiries about your credit score from the same type of lender are counted as one if submitted over a short period of time.

### AVOID FINANCE COMPANIES

Even if you pay off their loan on time, the interest is high and it may be considered a sign of poor credit management.

## THE BASICS

# The Tax Benefits Of Owning A Home

The tax deductions you're eligible to take for mortgage interest and property taxes greatly increase the financial benefits of home ownership.

These numbers will vary according to your mortgage, local tax rates, marital status, income, and based upon other deductions for which you may qualify. **CONSULT WITH YOUR CPA OR TAX PROFESSIONAL TO UNDERSTAND YOUR PARTICULAR SITUATION.**

## THE BASICS

# How To Prepare To Finance A Home

### DEVELOP A BUDGET

Use receipts and your banking transaction history to create a budget that reflects your actual habits over the last several months. This approach will better factor in unexpected expenses alongside more predictable costs such as utility bills and groceries.

### REDUCE DEBT

Lenders generally look for a debt load of no more than 36 percent of income. This figure includes your mortgage, which typically ranges between 25 and 28 percent of your net household income. So you need to get monthly payments on the rest of your installment debt—car loans, student loans, and revolving balances on credit cards — down to between 8 and 10 percent of your net monthly income.

### SAVE FOR A DOWN PAYMENT

Designate a certain amount of money to put away in your savings account each month. Although it's possible to get a mortgage with less than 5 percent down, you can usually get a better rate if you put down more. Aim for 20 percent of the purchase price.

### KEEP YOUR JOB

While you don't need to be in the same job forever to qualify for a home loan, having a job for less than two years may mean you have to pay a higher interest rate.

### ESTABLISH A GOOD CREDIT HISTORY

Get a credit card and make all your bill payments on time. Pay off entire balances as promptly as possible. Also, obtain a copy of your credit report, which includes a history of your credit, bad debts, and late payments. Ensure that it's accurate and correct any errors immediately.

### KEEP SAVING

Even if you have enough money to qualify for a mortgage and cover your down payment, you will also need to factor in closing costs, which can average between 2 and 7 percent of the home price, and incidentals such as the cost of hiring a home inspector.

### BE PREPARED

Gather the documentation a lender will need to preapprove you for a loan, such as W-2s, pay stub copies, account numbers, and copies of two to four months of bank or credit union statements. Don't forget property taxes, insurance, maintenance, utilities, and association fees, if applicable.

### SEEK DOWN PAYMENT HELP

Check with your state and local government to find out whether you qualify for special mortgage or down payment assistance programs. If you have an IRA account, you can use the money you've saved to buy your first home without paying a penalty for early withdrawal.

## THE BASICS

# Vocabulary: Loans & Lending Terms

### TERM

Mortgages are generally available at 15-, 20-, or 30-year terms. In general, the longer the term, the lower the monthly payment. However, shorter terms mean you pay less interest over the life of the loan.

### FIXED VS. ADJUSTABLE INTEREST RATES

A fixed rate allows you to lock in a low interest rate as long as you hold the mortgage and, in general, is a good choice if interest rates are low. An adjustable-rate mortgage (ARM) usually offers a lower rate that will rise as market rates increase. ARMs usually have a limit as to how much and how frequently the interest rate can be increased. These types of mortgages are a good choice when fixed interest rates are high or if you expect your income to grow significantly in the coming years.

### NON-TRADITIONAL MORTGAGES

Also sometimes called “exotic,” these mortgage types were common in the run-up to the housing crisis, and often featured loans with low initial payments that increase over time.

### BALLOON MORTGAGE

This is a form of non-traditional financing where your interest rate will be very low for a short period of time—often three to seven years. Payments usually only cover interest so the principal owed is not reduced. This type of loan may be a good choice if you think you will sell your home at a large profit in a few years.

### GOVERNMENT-BACKED LOANS

These loans are sponsored by agencies such as the Federal Housing Administration or the Department of Veterans Affairs. They offer special terms, including reduced interest rates to qualified buyers. VA Loans are open to veterans, reservists, active-duty personnel, and surviving spouses and are one of the only options available for zero down payment loans. FHA loans are open to anyone, and while they do require a down payment, it can be as low as 3.5 percent. Drawbacks include a slower loan process and—for FHA loans—the need to pay mortgage insurance.

### HOWEVER...

As the housing market shifts, so do lending practices. A mortgage broker—an independent professional who acts as an intermediary between you and lending institutions—may be able to help you find a better rate than you can on your own. Also, be sure to shop around; slight variations in interest rates, loan amounts, and terms can significantly affect your monthly payment.

## THE BASICS

# Questions To Ask When Choosing A Lender

Loan terms, rates, and products can vary significantly from one company to the next. When shopping around, these are a few things you should ask about.

### GENERAL QUESTIONS

- What are the most popular mortgages you offer? Why are they so popular?
- Are your rates, terms, fees, and closing costs negotiable?
- Do you offer discounts for inspections, home ownership classes, or automatic payment set-up?
- Will I have to buy private mortgage insurance? If so, how much will it cost, and how long will it be required?
- What escrow requirements do you have?
- What kind of bill-pay options do you offer?

### LOAN-SPECIFIC QUESTIONS

- What would be included in my mortgage payment (homeowners insurance, property taxes, etc.)?
- Which type of mortgage plan would you recommend for my situation?
- Who will service this loan—your bank or another company?
- How long will the rate on this loan be in a lock-in period? Will I be able to obtain a lower rate if the market rate drops during this period?
- How long will the loan approval process take?
- How long will it take to close the loan?
- Are there any charges or penalties for prepaying this loan?
- How much will I be paying total over the life of this loan?



## THE BASICS

# How To Finance A Home Creatively

### INVESTIGATE LOCAL, STATE, AND NATIONAL DOWN PAYMENT ASSISTANCE PROGRAMS

These programs give qualified applicants loans or grants to cover all or part of your required down payment. National programs include the Nehemiah program, Getdownpayment.com, and the American Dream Down Payment Fund from the Department of Housing and Urban Development.

### EXPLORE SELLER FINANCING

In some cases, sellers may be willing to finance all or part of the purchase price of the home and let you repay them gradually, just as you would do with a mortgage. A similar option is the assumable mortgage, where a home buyer takes over the seller's existing loan (with bank approval). This can be especially helpful when interest rates are on the rise.

### ASK YOUR FAMILY FOR HELP

Perhaps a family member will loan you money for the down payment or act as a cosigner for the mortgage. Lenders often like to have a cosigner if you have minimal credit history.

### CONSIDER A SHARED-APPRECIATION OR SHARED-EQUITY ARRANGEMENT

Under this agreement, your family, friends, or even a third party may buy a portion of the home and share in any appreciation when the home is sold. The owner-occupant usually pays the mortgage, property taxes, and maintenance costs, but all the investors' names are usually on the mortgage.

### LEASE WITH THE OPTION TO BUY

Renting the home for a year or more will give you the chance to save more toward your down payment. And in many cases, owners will apply some of the rental amount toward the purchase price.

### CONSIDER A SHORT-TERM SECOND MORTGAGE

If you can qualify for a short-term second mortgage, this would give you money to make a larger down payment. This may be possible if you're in good financial standing, with a strong income and little debt. Such arrangements may also help you avoid jumbo loan restrictions and/or minimize the amount of private mortgage insurance you have to pay.

## THE PROPERTY

# Worksheet: Define Your Dream Home

Write in your preferences and rate them: 3 = Vital, 2 = Very Important, 1 = Neutral, 0 = Not important

LOCATION	REFERENCES	RATE
Neighborhood		
School District		
Near Public Transportation		
Near Airport		
Near Interstate/Highway		
Near Shopping		
Great Views		
<b>TYPE</b>		
Single-Family/Condo/Townhome		
Minimum/Maximum Property Age		
Willingness to Renovate		
Architectural Style		
Open Floor Plan		
<b>SIZE &amp; MAKEUP</b>		
Minimum # of Bedrooms		
Minimum # of Bathrooms		
Eat-In Kitchen		
Family Room		
Formal Dining Room		
Formal Living Room		
Garage (# of cars)		
Outdoor Space (Size & Use)		
Laundry Room		
<b>AMENITIES</b>		
Wood Floors/Carpet		
Heating/Cooling System Types		
Fireplace		
Pool		
Other Special Needs/Preferences		

## THE PROPERTY

# Questions To Ask About The Neighborhood

Where you live should reflect your lifestyle. These questions will help you find the best community for you.

### IS IT CLOSE TO MY FAVORITE SPOTS?

Make a list of activities you engage in and stores you visit frequently. See how far you would have to travel from each neighborhood you're considering to engage in your most common activities.

### IS IT SAFE?

Contact the police department to obtain neighborhood crime statistics. Consider not only the number of crimes but also the type and trend. (Is crime going up or down?). Pay attention to see where in the neighborhood the crime is happening.

### IS IT ECONOMICALLY STABLE?

Check with your local economic development office to see if household income and property values in the neighborhood are stable or rising. What is the ratio of owner-occupied homes to rentals? Apartments don't necessarily diminish value, but they indicate a more transient population. Are there vacant businesses or homes that have been on the market for months? Check news sources to find out if new development is planned.

### IS IT A GOOD INVESTMENT?

Ask a local REALTOR® about price appreciation in the neighborhood. Although past performance is no guarantee of future results, this information may give you a sense of how a home's value might grow. A REALTOR® also may be able to tell you about planned developments or other changes coming to the neighborhood — such as a new school or highway — that might affect its value.

### DO I LIKE WHAT I SEE?

Once you've narrowed your focus to two or three neighborhoods, go and get a feel for what it might be like to live there. Take notes: Are homes tidy and well maintained? Are streets bustling or quiet? How does it feel? Pick a pleasant day if you can, and chat with people working or playing outside.

### WHAT'S THE SCHOOL DISTRICT LIKE?

This is especially important if you have children, but it also can affect resale value. The local school district can probably provide information on test scores, class size, the percentage of students who attend college, and special enrichment programs. If you have school-age children, visit schools in neighborhoods you're considering.

## THE PROPERTY

# Considering A Condo Or HOA?

Condominiums, townhomes, and properties located within a homeowner association offer certain perks, but it's important to consider the following questions in your decision process.

### HOW MUCH STORAGE IS AVAILABLE?

Some properties include storage lockers, but there may not be attics or basements to hold extra belongings.

### HOW'S THE OUTDOOR SPACE?

Your yard may be smaller than you'd find in a traditional single-family home, so if you like to garden or entertain outdoors, this may not be a good fit. But if you dread yard work, it may be the perfect option.

### ARE AMENITIES IMPORTANT?

Many properties offer swimming pools, fitness centers, and other facilities that would cost much more in a single-family setting.

### WHO HANDLES MAINTENANCE AND SECURITY?

Property managers often hire professionals to care for common areas and perform in-unit repairs. Keyed entries and doormen may regulate access to your home when you're not there (good news if you travel).

### ARE THERE REQUIRED RESERVE FUNDS AND ASSOCIATION FEES? HOW MUCH ARE THEY?

Although fees generally help pay for amenities and provide savings for future repairs, the HOA or condo board determines these fees, and you'll have to pay them even if you're not in favor of the improvements.

### WHAT ARE THE ASSOCIATION RULES?

Although you have a vote on future changes, association rules can dictate how you use your property. Some condos prohibit home-based businesses; others prohibit pets or don't allow owners to rent out their units. Read the covenants, restrictions, and bylaws carefully before you make an offer.

### WHAT'S THE AVERAGE VACANCY RATE?

It's never too early to be thinking about resale. The ease of selling your unit may depend on what else is for sale in your building, since units are similar.

### HOW MANY UNITS ARE OWNED BY INVESTORS?

Some lenders require a certain percentage of the building to be owner-occupied and may not be able to offer you financing if the ratio is too low.

### CAN I MEET OTHER RESIDENTS BEFORE MAKING AN OFFER?

You will share space and decision-making duties with your neighbors when part of a homeowner association, so it's important to make sure you can work together. If possible, try to meet your closest prospective neighbors before you decide on a place.

## THE PROPERTY

# Questions To Ask The Condo Board

Before you purchase a condo, you should have an attorney review property documents for you. However, you should contact the board yourself ahead of time. You'll learn how responsive and organized its members are and be alerted to potential problems.

### HOW MANY UNITS ARE OWNER-OCCUPIED?

Generally, the higher the percentage of owner-occupied units, the easier the condo will be to resell.

### WHAT COVENANTS, BYLAWS, AND RESTRICTIONS GOVERN THE PROPERTY?

Carefully read the bylaws to determine if you can abide by them. Also, find out if there are grandfather provisions that allow current owners more rights than you would have as a new owner, such as the ability to rent out your unit.

### HOW MUCH DOES THE ASSOCIATION KEEP IN RESERVE?

Ask how the money is being invested.

### ARE ASSOCIATION ASSESSMENTS KEEPING PACE WITH THE ANNUAL RATE OF INFLATION?

Smart boards raise assessments a reasonable percentage each year to build reserves for funding future repairs.

### WHAT DOES THE ASSESSMENT COVER?

Ask specifically about common-area maintenance, recreational facilities, trash collection, and snow removal (if applicable).

### WHAT SPECIAL ASSESSMENTS HAVE BEEN MANDATED IN THE PAST FIVE YEARS, AND HOW MUCH OF THAT WAS THE RESPONSIBILITY OF INDIVIDUAL OWNERS?

Some special assessments are unavoidable. But repeated, expensive assessments could be a red flag about building conditions or fiscal policy.

### WHAT'S THE TURNOVER RATE?

This will tell you if residents are generally happy with the building.

### IS THE CONDO BUILDING IN LITIGATION?

Obviously, this is never a good sign. If the builders or owners are involved in a lawsuit, reserves can be depleted quickly to pay legal fees.

### WHAT OTHER PROJECTS HAS THE DEVELOPER BUILT?

Try to visit one, and ask residents about their perceptions. Also, request an engineer's report if the building has been converted from another use.

### ARE MULTIPLE ASSOCIATIONS INVOLVED IN THE PROPERTY?

In very large developments, umbrella associations also may require separate assessments.

# Questions To Ask When Choosing A Home Inspector

## DO YOU BELONG TO A PROFESSIONAL ASSOCIATION?

There are many associations for home inspectors, but some groups confer questionable credentials or certifications in return for nothing more than a fee. Make sure the association your home inspector names is a reputable, nonprofit trade organization.

## WILL YOUR REPORT MEET ALL STATE REQUIREMENTS?

Also, make sure the organization complies with a well-recognized standard of practice and code of ethics, such as those adopted by the American Society of Home Inspectors or the National Association of Home Inspectors.

## HOW EXPERIENCED ARE YOU?

Ask inspectors how long they've been working in the field and how many inspections they've completed. Also ask for customer referrals. New inspectors may be highly qualified, but they should describe their training and indicate whether they work with a more experienced partner.

## HOW DO YOU KEEP YOUR EXPERTISE UP TO DATE?

Inspectors' commitment to continuing training is a good measure of their professionalism and service. Advanced knowledge is especially important with older homes or those with unique elements requiring additional or updated training.

## DO YOU FOCUS ON RESIDENTIAL INSPECTION?

Home inspection is very different from inspecting commercial buildings or a construction site. Ask whether the inspector has experience with your type of property or feature. The inspector should be able to provide sample inspection reports for a similar property. If they recommend further evaluation from outside contractors on multiple

issues, it may indicate they're not comfortable with their own knowledge level.

## DO YOU OFFER TO DO REPAIRS OR IMPROVEMENTS?

Some state laws and trade associations allow the inspector to provide repair work on problems uncovered during the inspection. However, other states and associations forbid it as a conflict of interest.

## HOW LONG WILL THE INSPECTION TAKE?

On average, an inspector working alone inspects a typical single-family house in two to three hours; anything less may not be thorough.

## HOW MUCH?

Costs range from \$300 to \$500 but can vary dramatically depending on your region, the size and age of the house, and the scope of services. Be wary of deals that seem too good to be true.

## WILL I BE ABLE TO ATTEND THE INSPECTION?

The answer should be yes. A home inspection is a valuable educational opportunity for the buyer and a refusal should raise a red flag.

## THE PROPERTY

# What To Know About The Home Inspection

Some items should always be examined.

### STRUCTURE

The home's "skeleton" should be able to stand up to weather, gravity, and the earth that surrounds it. Structural components include items such as the foundation and the framing.

### EXTERIOR

The inspector should look at sidewalks, driveways, steps, windows, doors, siding, trim, and surface drainage. They should also examine any attached porches, decks, and balconies.

### ROOFING

A good inspector will provide very important information about your roof, including its age, roof draining systems, buckled shingles, and loose gutters and downspouts. They should also inform you of the condition of any skylights and chimneys as well as the potential for pooling water.

### PLUMBING

They should thoroughly examine the water supply and drainage systems, water heating equipment, and fuel storage systems. Drainage pumps and sump pumps also fall under this category. Poor water pressure, banging pipes, rust spots, or corrosion can indicate larger problems.

### ELECTRICAL

You should be informed of the condition of service entrance wires, service panels, breakers and fuses, and disconnects. Also take note of the number of outlets in each room.

### HEATING AND AIR CONDITIONING

The home's vents, flues, and chimneys should be inspected. The inspector should be able to tell you the water heater's age, its energy rating, and whether the size is adequate for the house. They should also describe and inspect all the central air and through-wall cooling equipment.

### INTERIORS

Your inspector should take a close look at walls, ceilings and floors; steps, stairways, and railings; countertops and cabinets; and garage systems. These areas can reveal leaks, insect damage, rot, construction defects, and more.

### VENTILATION/INSULATION

Inspectors should check for adequate insulation and ventilation in the attic and in unfinished areas such as crawl spaces. Insulation should be appropriate for the climate. Without proper ventilation, excess moisture can lead to mold and water damage.

### FIREPLACES

They're charming, but fireplaces can be dangerous if they're not properly installed. Inspectors should examine the vent and flue, and describe solid fuel-burning appliances.

## THE PROPERTY

# What To Know About The Appraisal Process

Once you are under contract, your lender will send out an appraiser to make sure the purchase price is in line with the property's value.

### APPRAISALS HELP GUIDE MORTGAGE TERMS

The appraised value of a home is an important factor in the loan underwriting process. Although lenders may use the sale price to determine the amount of the mortgage they will offer, they generally only do so when the property is sold for less than the appraisal amount. Also, the loan-to-value ratio is based on the appraised value and helps lenders figure out how much money may be borrowed to purchase the property and under what terms. If the LTV is high, the lender is more likely to require the borrower to purchase private mortgage insurance.

### APPRAISED VALUE IS NOT A CONCRETE NUMBER

Appraisals provide a professional opinion of value, but they aren't an exact science. Appraisals may differ quite a bit depending on when they're done and who's doing them. Also, changes in market conditions can dramatically alter appraised value.

### APPRAISED VALUE DOESN'T REPRESENT THE WHOLE PICTURE OF HOME PRICES

There are special considerations that appraised value doesn't take into account, such as the need to sell rapidly.

### APPRAISERS USE DATA FROM THE RECENT PAST

Appraisals are often considered somewhat backward looking, because they use sold data from comparable properties (often nicknamed "comps") to help come up with a reasonable price.

### THERE ARE USES FOR APPRAISED VALUE OUTSIDE OF THE PURCHASE PROCESS

For buying purposes, appraisals are usually used to determine market value or factor into the pricing equation. But other appraisals are used to determine insurance value, replacement value, and assessed value for property tax purposes.



## THE PROPERTY

# 6 Questions To Ask About Property Tax

It's natural for the sale price of a home to loom large in your mind. But don't forget to look at what your property tax bill might be.

### 1. WHAT IS THE ASSESSED VALUE OF THE PROPERTY?

Assessed value is generally less than market value. A recent copy of the seller's tax bill will help you determine this information.

### 2. HOW OFTEN ARE PROPERTIES REASSESSED IN THIS AREA?

In general, this will happen annually, but properties in areas of slower growth may be reassessed less often.

### 3. WHEN WAS THE LAST REASSESSMENT DONE ON THIS PROPERTY?

Most significant tax increases on an individual property can be linked to when that property was last reassessed.

### 4. WILL THE SALE OF THE PROPERTY TRIGGER A TAX INCREASE?

Depending upon where you live, the assessed value of a property may increase based on the amount you pay for it. And in some areas, such as California, taxes aren't allowed to increase until the property in question is resold.

### 5. IS THE TAX BILL COMPARABLE TO OTHER PROPERTIES IN THE AREA?

If not, it might be possible to appeal the assessment and lower the rate.

### 6. DOES THE CURRENT TAX BILL REFLECT ANY SPECIAL EXEMPTIONS FOR WHICH I MIGHT NOT QUALIFY?

For example, many tax districts offer reductions to those individuals 65 and older.

## THE TRANSACTION

# Worksheet: Service Provider Contacts

You won't necessarily need all these professionals, but your REALTOR® can help you assemble a list.

	NAME	CONTACT INFO
REALTOR®		
<b>ADVISORS</b>		
Real Estate Attorney		
Appraiser		
Tax Advisor		
<b>INSPECTORS</b>		
Home Inspector		
Termite Inspector		
Flood Plain Inspector		
Radon Inspector		
Zoning Inspector		
Lead Paint Inspector		
Occupancy Permit Inspector		
<b>OTHER SERVICES</b>		
Survey Company		
Title Company		
Insurance Consultant		
Mortgage Loan Officer		
Moving Company		
Relocation Company		
Electrician		
Remodeling Contractor		
Other		

## THE TRANSACTION

# Checklist: Your Mortgage Application

Every lender requires documents as part of the process of approving a mortgage loan. Here are documents you're generally required to provide.

- W-2 Tax returns — or business tax returns if you're self-employed — for the last two or three years for every person signing the loan.
- At least one pay stub for each person signing the loan.
- Account numbers of all your credit cards and the amounts for any outstanding balances.
- Two to four months of bank or credit union statements for both checking and savings accounts.
- Lender, loan number, and amount owed on installment loans, such as student loans and car loans.
- Addresses where you've lived for the last five to seven years, with names of landlords if appropriate.
- Brokerage account statements for two to four months, as well as a list of any other major assets of value, such as a boat, RV, or stocks or bonds not held in a brokerage account.
- Your most recent 401(k) or other retirement account statement.
- Documentation to verify additional income, such as child support or a pension.

## THE TRANSACTION

# Consider This Before Making A Short Sale Offer

If a home is being sold for less than what the current owner owes on the property—and the seller does not have other funds to make up the difference at closing—the sale is considered a short sale.

A short sale is different from a foreclosure, which is when the seller's lender has taken title of the home and is selling it directly. Home owners often try to accomplish a short sale in order to avoid foreclosure. But a short sale holds many potential pitfalls for buyers. Answering these questions will help you determine if a short sale is a good fit for you.

### ARE YOU VERY PATIENT?

Even after you come to agreement with the seller to buy a short-sale property, the seller's lender (or lenders, if there is more than one mortgage) still has to approve the sale. When there is only one mortgage, lender approval typically takes about two months. If there is more than one mortgage with different lenders, it can take four months or longer. If you make an offer tremendously lower than the fair market value of the home, the lender could make a counteroffer, which will lengthen the process.

### IS YOUR FINANCING IN ORDER?

Lenders like cash offers. But even if you can't pay cash, it's important to show you're well qualified. If you're preapproved, have a large down payment, and can close at any time, your offer will be viewed more favorably than that of a buyer whose financing is less secure.

### DO YOU HAVE ANY CONTINGENCIES?

Lenders like flexible terms. If you must sell a home before you can close, or you need to be in your new home by a certain time, a short sale may not be for you. Also, you will most likely be asked to take the property "as is." Lenders are already taking a loss on the property and may not agree to requests for repair credits.

### CAN YOU TAKE REJECTION?

Even when a lender approves a short sale, it could require that the sellers sign a promissory note to repay the deficient amount of the loan, which may not be acceptable to some financially strapped sellers. Lenders also can change any of the terms of the contract that you've already negotiated, which may not be agreeable to you.

## THE TRANSACTION

# Your Short Sale Purchase Team

If you're serious about purchasing a short-sale property, it's important for you to have expert assistance. Here are some people you'll want by your side:

### EXPERIENCED REAL ESTATE ATTORNEY

A real estate attorney who's knowledgeable about the short-sale process will increase your chances getting an approved contract. The attorney will also be indispensable if you want any provisions or specialized language written into the purchase contract.

### QUALIFIED REAL ESTATE PROFESSIONAL

You may have close friends or relatives in real estate, but they aren't truly knowledgeable about short sales, they may hurt your chances of a successful closing. Interview a few practitioners and ask them how many buyers they've represented in a short sale and, of those, how many have successfully closed. A qualified real estate professional will help you find short-sale listings, negotiate the purchase, and have smooth communications with the lender. You might also seek out pros who have the Short Sales and Foreclosure Resource (SFR®) certification, which generally identifies REALTORS® who have learned the skills needed to help buyers and sellers of distressed properties.

### TITLE OFFICER

It's a good idea to have a title officer do an initial title search on a short-sale property to examine all the liens attached to the property. If there are multiple lien holders (second or third mortgage/lines of credit, real estate tax lien, mechanic's lien, homeowners association lien, etc.). It's much tougher to get the contract to the closing table. Any of the lien holders could put a kink in the process even after you've waited months for lender approval. If you don't know a title officer, your real estate attorney or real estate professional should be able to recommend a few.

The risks of a short sale are considerable. But if you have the time, patience, and iron will to see it through, a short sale can be a win-win for you and the sellers.

## THE TRANSACTION

# How To Lower Homeowners Insurance Costs

The first step is to shop around; quotes on the same home can vary significantly from company to company.

### REVIEW THE COMPREHENSIVE LOSS UNDERWRITING EXCHANGE REPORT

CLUE reports detail the property's claims history for the last five years, which insurers may use to deny coverage. Make the sale contingent on a home inspection to ensure that problems identified in the CLUE report have been resolved.

### SEEK INSURANCE COVERAGE AS SOON AS YOUR OFFER IS APPROVED

You must obtain insurance in order to buy your home. And you don't want to find out at closing time that the insurer has denied you coverage.

### MAINTAIN GOOD CREDIT

Insurers often use credit-based insurance scores to determine premiums.

### BUY YOUR HOMEOWNER'S AND AUTO POLICIES FROM THE SAME COMPANY

Companies will often offer a bundling discount. But make sure the discount really yields the lowest price.

### RAISE YOUR DEDUCTIBLE

If you can afford to pay more toward a loss that occurs, your premiums will be lower. Also, avoid making claims for losses of less than \$1,000.

### ASK ABOUT OTHER DISCOUNTS

For example, retirees who tend to be home more than full-time workers may qualify for a discount on theft insurance. You also may be able to obtain discounts for having smoke detectors, a security system, and high-quality locks.

### SEEK GROUP DISCOUNTS

If you belong to any associations or alumni organizations, check to see if they offer deals on coverage.

### CONDUCT AN ANNUAL REVIEW

Take a look at your policy limits and the value of your home and possessions every year. Some items depreciate and may not need as much coverage.

### INVESTIGATE A GOVERNMENT-BACKED INSURANCE PLAN

In some high-risk areas, the federal or state government may back plans to lower rates. Ask your agent what's available.

### INSURE YOUR HOUSE FOR THE CORRECT AMOUNT

Remember, you're covering replacement cost, not market value.

## THE TRANSACTION

# What To Know About Title Insurance

Title insurance protects your ownership right to your home, both from fraudulent claims against your ownership and from mistakes made in earlier sales, such as misspellings of a person's name or an inaccurate description of the property. In some states it is customary for the seller to purchase the policy on your behalf.

### YOUR MORTGAGE LENDER WILL REQUIRE IT

Title insurance protects the lender (and the secondary markets to which they sell loans) from defects in the title to your home—which could include mistakes made in the local property office, forged documents, and claims from unknown parties. It ensures the validity and enforceability of the mortgage document. The amount of the policy is equal to the amount of your mortgage at its inception. The fee is typically a one-time payment rolled into closing costs.

### THERE ARE TWO DIFFERENT POLICIES TO CONSIDER PURCHASING

The first policy, the one your lender will require, protects the lender's investment. You may also purchase an owner's policy that provides coverage up to the purchase price of the home you are buying.

### YOU HAVE THE RIGHT TO CHOOSE YOUR PROVIDER

You can shop around for a lower insurance premium rate at a wide variety of sites online. You should first request quotes from a few companies and then reach out and speak to them. Ask about hidden fees and charges that could make one quote seem more attractive than another. Also, find out if you're eligible for any discounts. Discounts are sometimes available if the home has been bought within only a few years since the last purchase as not as much work is required to check the title. You can also ask your lender or real estate professional for advice or help with getting quotes. Make sure the title insurance company you choose has a favorable Financial Stability Rating with Demotech Inc.

### EVEN NEW CONSTRUCTION NEEDS COVERAGE

Even if your home is brand-new, the land isn't. There may be claims to the land or liens that were placed during construction that could negatively impact your title.

## THE TRANSACTION

# Worksheet: Track Closing Costs

Be prepared and know who's responsible for the variety of fees and expenses at the closing table.

	BUYER COST	SELLER COST	OTHER
Down Payment			
Loan Origination			
Points Paid to Receive Lower Interest Rate			
Home Inspection			
Appraisal			
Credit Report			
Mortgage Insurance Premium			
Escrow for Homeowners Insurance (if paid as part of the mortgage*)			
Property Tax Escrow (if paid as part of the mortgage*)			
Deed Recording			
Title Insurance Policy Premiums			
Land Survey			
Notary Fees			
Home Warranty			
Proration** For Your Share of Costs (such as utility bills and property taxes)			

\*Lenders keep funds for taxes and insurance in escrow accounts as they are paid with the mortgage, then pay the insurance or taxes for you.

\*\* Because such costs are usually paid on either a monthly or a yearly basis, you might have to pay a bill for services used by the sellers before they moved. Proration is a way to even out bills sellers may have paid in advance, or that you may later pay for services they used.



## THE TRANSACTION

# Vocabulary: Transaction Documents

When you walk away from the closing table with a big stack of papers, know what to file away for future reference.

### LOAN ESTIMATE

Your lender is required to provide you with this three-page document within three business days of receiving your loan application. It will show estimates for your interest rate, monthly payment, closing costs, taxes, and insurance. You'll also learn how your interest rate and payments could change in the future, and whether you'll incur penalties for paying off the loan early (called "prepayment penalty") or increases to the mortgage loan balance even if payments are made on time (known as "negative amortization").

### CLOSING DISCLOSURE

Your lender is required to send this five-page form—which includes final loan terms, projected monthly payments, and closing costs—three business days before your closing. This window gives you time to compare the final terms to those in the Loan Estimate (see above), and to ask the lender any questions before the transaction is finalized.

### MORTGAGE AND NOTE

These spell out the legal terms of your mortgage obligation and the agreed-upon repayment terms.

### DEED

This document officially transfers ownership of the property. In a cash deal, it goes to you, but otherwise you won't get the deed until you pay off the mortgage.

### AFFIDAVITS

These are binding statements by either party. For example, the sellers will often sign an affidavit stating that they haven't incurred any liens on the property.

### RIDERS

This word describes any amendments to the sales contract that affect your rights. For example, the sellers may arrange to retain occupancy for a specified period after closing but agree to pay rent to the buyers during that period.

### INSURANCE POLICIES

These documents provide a record and proof of your coverage, whether they be insuring the title or the property itself. Homeowners insurance documents will generally be your responsibility, while proof of title insurance will be given to you at the closing table.

# Checklist: Your Final Walk-Through

Closing time is hectic, but you should always make time for a final walk-through to make sure that your home is in the same condition you expected it would be. Here's a detailed list of what to check for on your final walk-through.

- Basement, attic, and every room, closet, and crawl space have been checked.
- Requested repairs have been made.
- Copies of paid bills and warranties are in hand.
- No major, unexpected changes have been made to the property since last viewed.
- All items included in the sale price—draperies, lighting fixtures, etc.—are still on site.
- Screens and storm windows are in place or stored on site.
- All appliances are operating (dishwasher, washer/dryer, oven, etc.).
- Intercom, doorbell, and alarm are operational.
- Hot water heater is working.
- Heating and air conditioning systems are working.
- No plants or shrubs have been removed from the yard.
- Garage door opener and other remotes are available.
- Instruction books and warranties on appliances and fixtures are available.
- All debris and personal items of the sellers have been removed.

## THE MOVE

# Checklist: Prepare For Your Move

When you walk away from the closing table with a big stack of papers, know what to file away for future reference.

### LOAN ESTIMATE

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## THE MOVE

# How To Pack Like A Pro

### PLAN AHEAD

Develop a master to-do list so you won't forget something critical heading into moving day. This will also help you create an estimate of moving time and costs.

### DISCARD ITEMS YOU NO LONGER WANT OR NEED

Ask yourself how frequently you use an item and how you'd feel if you no longer had it. Sort unwanted items into "garage sale," "donate," and "recycle" piles.

### PACK SIMILAR ITEMS TOGETHER

It will make your life easier when it's time to unpack.

### DECIDE WHAT YOU WANT TO MOVE ON YOUR OWN

Precious items such as family photos, valuable breakables, or must-haves during the move should probably stay with you. Pack a moving day bag with a small first-aid kit, snacks, and other items you may need before unpacking your "Open First" box.

### KNOW WHAT YOUR MOVERS WILL TAKE

Many movers won't take plants or liquids. Check with them about other items so you can plan to pack them yourself.

### PUT HEAVY ITEMS IN SMALL BOXES

Try to keep the weight of each box under 50 pounds.

### DON'T OVER PACK BOXES

This increases the likelihood that items inside the box will break.

### WRAP FRAGILE ITEMS SEPARATELY

Pad bottoms and sides of boxes and, if necessary, purchase bubble-wrap or other packing materials from moving stores. Secure plants in boxes with air holes.

### LABEL EVERY BOX ON ALL SIDES

You never know how they'll be stacked. Also, use color-coded labels to indicate which room each box should go in, coordinating with a color-coded floor plan for the movers.

### KEEP MOVING DOCUMENTS TOGETHER IN A FILE, EITHER IN YOUR MOVING DAY BAG OR ONLINE

Include vital contact information, the driver's name, the van's license plate, and the company's number.

### PRINT OUT A MAP AND DIRECTIONS FOR MOVERS AND HELPERS

Make several copies, and highlight the route. Include your cell phone number on the map.

### BACK UP COMPUTER FILES ON THE CLOUD

Alternatively, you can keep a physical backup on an external hard drive off site.

### INSPECT EACH BOX AND PIECE OF FURNITURE AS SOON AS IT ARRIVES

Ahead of time, ensure your moving company has a relatively painless process for reporting damages.

## THE MOVE

# How To Move With Pets

### UPDATE YOUR PET'S TAG WITH YOUR NEW ADDRESS

Make sure your pet's collar is sturdy and correctly sized. The tag should also include your mobile number and e-mail address so that you can be reached during the move.

### REQUEST VETERINARY RECORDS

Ask your current vet to send your pet's medical history directly to the new vet. Have their contact information handy in case of emergency or if the new vet has questions.

### KEEP A WEEK'S WORTH OF FOOD AND MEDICATION WITH YOU

You may want to ask for an extra prescription refill before you move. Take the same precaution with special therapeutic foods.

### SECLUDE THEM FROM CHAOS

Keep your pet in a safe, quiet room on moving day with a clear sign posted on the door. There are many light, collapsible travel crates available, but ensure it is well ventilated and sturdy enough for stress-chewers. Also, introduce your pet to the crate before the trip.

### PREPARE A PET FIRST AID KIT

Include your vet's phone number, gauze to wrap wounds or to muzzle your pet, adhesive tape for use on bandages, nonstick bandages, towels, cotton swabs, antibiotic ointment (without pain relief medication), and 3% hydrogen peroxide.

### PLAY IT SAFE IN THE CAR

Use a crate or carrier in the car, securing it with a seat belt. Never leave your pet in the bed of a truck, the storage area of a moving van, or alone in a parked vehicle. If you're staying overnight, find pet-friendly lodging beforehand and have kitty litter or plastic bags on hand.

### GET READY FOR TAKEOFF

When traveling by air, check with the airline about pet requirements or restrictions and whether you must purchase a special airline crate that fits under the seat in front of you.

### PREP YOUR NEW HOME

Set up one room with everything your pet will need: food, water, medications, bed, litter box, scratch post, and toys. Keep windows and doors closed when your pet is unsupervised, and beware of small spaces where nervous pets may hide. If your old home is nearby, give the new home owners or neighbors your phone number and a photo of your pet, in case your pet tries to return.

### LEARN ABOUT LOCAL HEALTH CONCERNS AND LAWS IN YOUR NEW AREA

If you're moving to a new country, contact the Agriculture Department or embassy of the country to obtain specific information on special documents, quarantine, or costs related to bringing your pet into the country.

# Checklist For The New Owners

Before the property changes hands, consult this list to make sure these items are transferred with the house.

- Owner's manuals and warranties for any appliances left in the house.
- Garage door opener(s).
- Extra set of house keys.
- Other keys. Think beyond the front doors; do you have any cabinets or lockers built into the home that require keys?
- A list of local service providers, such as the best dry cleaner, yard service, plumber, and so on. You're not just helping the new owners, but also the local businesses you're leaving behind.
- Code to the security alarm and phone number of the monitoring service if not discontinued.
- Smart home device access. Any devices listed as fixtures need to be reset for the new homeowner. Make sure your account information and usage data are wiped from the device so that they may use it. Check with your device's manufacture to find out how to do this.
- Numbers to the local utility companies. This can be especially helpful to owners who may not yet have easy access to the Internet in the new home.
- Contact info for the condo board or home ownership association, if applicable.





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