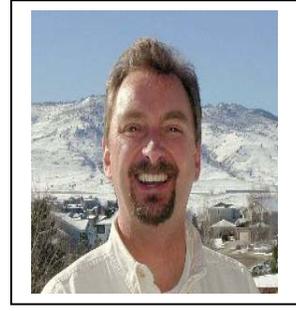


The Home Buyer Roadmap – Making an offer on your dream home

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Once you've found a house you like, you must make a written offer to buy it. Your buyer's agent will prepare the offer and guide you through this process. Your agent will present the offer with your earnest money check to the seller's agent. The earnest money is usually 1% of the price of the home and is given as a promise of good faith that you are serious about purchasing this home. Typically a timeframe for the response is part of the offer.

How do we come up with a fair price to offer? Offer too little, and other buyers could beat you, or the owners will wait to receive higher offers. Offer too much, and you might be wasting your money. Consider the following factors when deciding how much to offer:

- The advertised price of the house. Treat the asking price as only a rough estimate of what the seller would like to receive, and recognize that different sellers price houses differently. Some sellers deliberately overprice, others ask for pretty close to what they hope to get, and a few under price their houses in the hope of attracting a flood of potential buyers who will compete and overbid. The seller has no obligation to sell to you or anyone at the advertised price.
- Determine prices for comparable houses. This is the best way to determine a fair price. Before making an offer to purchase, you should know the selling prices of nearby houses similar to the one you're interested in buying. Your buyer's agent will have access to all of this and go over the comparable sales with you. A comparable sale is a sale that will have occurred within the last three to six months (the more recent, however, the better). In a market where prices fluctuate fairly fast, comps should be houses that have sold in 1 to 3 months. The comparable sale should be for a house quite similar to the one you're interested in -- in terms of age, size, and type and number of rooms.
- What is to be included in the sale. Don't simply assume that items such as porch swings, fireplace doors and refrigerators are included. Make sure that when the offer is written you have included everything you would like to have with the house. The sellers in advance have created a list of things that are excluded with the sale such as the "Refrigerator" or perhaps some yard decorations. You need to put any items that you wish to transfer to you with the house in the contract and be very specific.
- Are there any concessions you desire the seller to make?
- Do you have a home to sell before you can buy this one? If so you can write the offer contingent upon your home at (124 state Lane) closing successfully. This will protect you from owning two homes at one time.
- Any financing contingencies (for example, subject to you being able to obtain a satisfactory mortgage. You can go as far as to state maximum interest rates, specific terms, etc.)
- Any home inspection contingencies. This is written in the contract for your protection. You are given time in the contract to hire a professional inspector to so a home inspection to insure the home you have just offered to buy is in good, sound condition.

The seller will review the offer with their seller's agent & accept your offer without changing it, make a counteroffer with one or more changes, or reject it outright. If, however, the seller accepts the offer by signing the contract (and you are notified of its acceptance) then a legally binding contract has been struck. In the majority of cases and localities, there is no need for additional

paperwork--the signed offer becomes the contract. Your home owning process has begun. Once the offer has been accepted, the "lets think it over just a little bit more" phase has passed. Changing your mind at this point could mean you loose your earnest money. This is why it is critically important to make sure that all of your bases are touched and all of your intentions made clear in the offer--it can become a binding contract in the blink of an eye and a stroke of the seller's pen.

There are several steps in the contract that happen over a short period of time, usually 30 to 45 days. You need to work with your agent and schedule an inspection, find out about homeowners insurance and keep in contact with your lender to insure everything is going as planned. This can be a stressful time in your life so look to the professionals for help that is why you have the working to help you. No question is a silly question! If you aren't sure, ask and make sure you understand the answer you were given. This is one of the biggest steps in your life. It can also be one the most exciting and fun.

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