

Questions to Ask Yourself When Buying a New Home

When I start visiting homes, what should I be looking for the first time through?

The house you ultimately choose to call home will play a major role in your family's life. A home can be an excellent investment, of course, but more importantly, it should fit the way you really live, with spaces and features that appeal to everyone in the family.

At each home, pay close attention to these important considerations:

Is there enough room for you now, and in the near future?

Is the home's floor plan right for your family?

Is there enough storage space?

Will you have to replace the appliances?

Is the yard the size that you want?

Are there enough bathrooms?

Will your present furniture work in this home?

IS an older home as good a value as a new home?

It's a matter of personal preference. Both new and older homes offer distinct advantages, depending upon your unique taste and lifestyle. New homes generally have more space in the rooms where today's families do their living, like a family room or activity area. They're usually easier to maintain, too. However, many homes built years ago offer more total space for the money, as well as larger yards. Taxes on some older homes may also be lower. Some people are charmed by the elegance of an older home but shy away because they're concerned about potential maintenance costs. Consider a home warranty to get the peace of mind you deserve. A good Home Warranty plan protects you against unexpected repairs on many home systems and appliances for a full year or more after you move in.

DO I need to bring anything along when I'm looking at homes?

Bring your own notebook and pen for note taking and a flashlight for seeing enclosed areas. Be prepared to "snoop around" a little. After all, you want to

know as much as possible about the home you buy. Sellers understand that because their home is on the market, it will be looked over pretty thoroughly. Don't forget to bring along this Home Buyer's Workbook as a reference guide when you are looking at homes. The pages in the back of the book allow you to make notes on specific homes, which will make it easier to remember the specifics about each home. If you need to go back to a home for another look, Omni will be happy to schedule an appointment. Be sure to ask any questions you have about the home, even if you feel you're being nosy. You have a right to know. It's important to know that the seller will supply the buyer with a Residential Property Disclosure, which will disclose any defects known by the seller. A copy of this form is found towards the back of this book.

What should I ask Omni about each home that I look at?

As a rule of thumb, ask any questions you have about specific rooms, features or functions. Pay particular attention to areas that you feel could become "problem" areas—additions, defects, areas that have been repaired. And above all, if you don't feel your question has been answered, ask until you do understand and are satisfied. In most cases, Omni will be able to provide you with detailed information.

What should I tell Omni about the homes I look at?

Tell us what you liked and didn't like about each home you saw. It is important for us to really get a feel for what you're looking for in a home in order to find your dream home. Don't be shy about talking about a home's shortcomings. Was the home perfect except for the carpeting? Let us know that, too!

How many homes should I look at before I buy?

There is no set number of homes you should look at before you decide to make an offer on one. That's why providing Omni with as many details as possible up front is so helpful. The perfect home may be waiting for you on your first visit. Even if it isn't, the house-hunting process will help you get a feeling for the homes in the community and narrow your choices to a few homes that are worth a second look.

If you're looking in more than one community, try to make the most of each

house-hunting trip. Stop by the local Chamber of Commerce to pick up promotional literature about the community. Or ask us for welcome kits, maps, and information about schools, churches, and recreational facilities. Also, be sure to take along a camera and snap some pictures of all the homes you like. That'll make it easier to remember.

What should I think about when I'm deciding which community I want to live in?

Good city services, nice parks and playground facilities, convenient shopping and transportation, a track record of sound development and good planning—these are just a few considerations that are important to many people when they choose a community in which to live.

As for individual neighborhoods within a village or city, there is no better source of information than Omni! We know the people and the communities we serve], and chances are, we can help you find a neighborhood that really fits your family's needs.

Where can I get information about local schools?

Again, **Omni** is perhaps your best source. **We know** where the local schools are, and can provide you with valuable information about school districts, including test scores, extracurricular activities, bus service and more. If you're relocating, **we** may even be able to put you in touch with teachers and principals when you visit the area.

How can I find out what homes are selling for in a given neighborhood?

Home sales are a matter of public record. The Recorder's Office, a local residential appraiser, the planning department for the locality or the public information department of the local Multiple Listing Service (if they have such a department) are all resources the buyer can call on. All can be searched for recent sale histories, sale prices (or average sales prices), time on the market and other listing information for sales in any given area.

However, a better and easier way for you to get this information is to ask Omni.

If you're interested in a particular home, we may be able to provide you with a list of comparables—sale prices of homes in your area that are roughly the same size and age as the home you're considering. Although there will certainly be some differences between the homes—the house next door may have an extra bedroom, or the one down the block may be older than the one you're looking at—it's a good way to evaluate the seller's asking price.

I'd like to have a professional look at the home before I buy it. What does a home inspector do?

For your own safety, and to make sure you're getting your money's worth in the home you choose, using a professional home inspector is highly recommended. A home inspector will check a home's plumbing, heating and cooling, electrical systems, and look for structural problems, like a damp or leaky basement.

Usually, you call an inspector immediately after you've made an offer on a home. However, before you sign any written offer, make sure that it includes an inspection clause or other language which says that your purchase obligation is contingent on the findings of a professional home inspector. Omni's contracts automatically contain this important verbiage.

Your home cannot "pass" or "fail" an inspection, and your inspector will not tell you whether he or she thinks the home is worth the money you are offering. The inspector's job is to make you aware of repairs that are recommended or necessary.

A seller may be willing to renegotiate a price to accommodate needed repairs, or you may decide that the home will take too much work and money. A professional inspection will help you make a clear-headed decision. In addition to the overall inspection, you may wish to have separate tests conducted to check for termites, or the presence of radon gas. Talk to Omni for information about these tests and companies in the area that perform them.

In choosing a home inspector, consider one that has been certified as a qualified and experienced member by a trade association. Omni may refer you to several qualified inspectors.

Should I be present during the inspection?

Yes. It's not required, but it is very much to your advantage. You'll be able to

clearly understand the inspection report, and know exactly which areas need attention. Plus, you can get answers to many questions, tips for maintenance, and a lot of general information that will help you when you move into your new home. Most important, you'll see the home through the eyes of an objective third party.

Do I need to talk to my insurance agent?

Yes, and the sooner, the better. Most insurance professionals have a lot of experience in working with homeowners and can offer useful tips about home ownership, particularly regarding home safety and keeping your premiums low.

Once you've found a home, work together to develop a homeowner's policy that meets your individual insurance needs. ***You'll need to supply your pre-paid policy to your mortgage lender prior to closing.***

What's "earnest money," and how much do I need?

When you sign an offer to purchase, Omni will ask you for *earnest money*—that is, money that shows you are serious about wanting to buy. Usually, you will be asked to write a check for one percent to five percent of the sale price, made payable to Land Title.

This money will be held in a special escrow account. If your offer is accepted, your earnest money will be included as part of your down payment. If your offer is not accepted, you'll get back all your earnest money. But keep in mind that if you back out, you forfeit the full amount.

IS there any way I can protect myself against emergency repair bills in my new home?

Yes. Home warranties offer you protection against many potentially costly problems not covered by your homeowner's insurance. They've become increasingly popular in recent years, and for good reason: the coverage can save you thousands in the event of a major mechanical breakdown, at a time when your cash reserves have been depleted by your down payment and moving expenses. Ask Omni whether a Home Warranty is offered when looking at homes. But remember, if it is not offered, feel free to ask for it when writing the

offer to purchase. The Home Warranty will give you the peace of mind necessary to feel comfortable in your new home. In most cases, the warranty plan will cover appliances, hot water heater, air conditioning units, electrical systems, garage door openers, plumbing systems, heating systems, faucets, ceiling fans and water softeners. Check with us regarding the specifics of the Home Warranty plan!

How do I determine the amount of my initial offer?

There is really no rule to use in calculating a realistic offer. Naturally, the buyer wants the best value and the seller wants the best price, but negotiations can be influenced by many factors, such as a seller who may be changing jobs and wants to sell quickly, or a buyer who really wants a specific home.

After you've looked at the home's features, asked questions, checked comparables, and talked about it with us you should have a good idea of what the home's value is in the current market. Consider what you can afford and make an offer that you consider to be fair.

Most buyers and sellers negotiate on price, with both sides "giving" a little until both agree. When the price is agreed upon, the paperwork will be initialled by both parties. At that point, you typically will begin the process of arranging for an inspection and applying for a mortgage.

If I'm moving a considerable distance, is there any way I can gather information before I start traveling?

Yes. Omni is proud to be associated with some of the best relocation companies in the nation. Whether you're moving across town, across the nation, or around the world, we can help. Our Relocation Networks are skilled in handling the special needs of families involved in the relocation process. We understand your needs, concerns, fears, anxieties and joys, but most of all, we know how to get you and your family from here to there with minimal stress and inconvenience. And, our Relocation Network is made up of the top 5% of the industry. They know how to get you results in the shortest amount of time, with the fewest hassles and the best price for you. In addition, today's Multiple Listing Services—which include up to 90% or more of the homes listed in any given community—have made it relatively easy for buyers to access detailed information on homes for sale practically anywhere in the country.

Should I move myself or use a moving company?

In almost every case, you can save yourself time and energy by using a reputable moving company to help you move. Ask Omni, friends, and co-workers for recommendations, then get estimates from several companies. Don't choose a mover based on price alone—consider the reputation and professionalism of the company, too. Work closely with the moving company to coordinate your efforts and your move will be achieved with maximum efficiency.

What is a mortgage, and what are the benefits of different kinds of mortgages?

Simply put, a mortgage is a loan that a home buyer obtains directly from a lender to purchase real estate. The mortgage is a lien on the property that secures a promissory note (promise to repay the debt) that states the terms of the loan, including the interest rate, and the number of payments.

The most popular mortgages available to home buyers today can be divided into two general categories: those which offer fixed interest rates and monthly payments, and those where one or both of those factors are adjustable.

Fixed rate/fixed payment loans are more traditional, and remain the most popular home financing method, currently accounting for about two-thirds of all residential mortgages. Their advantages are well-known: You always know what your monthly principal and interest payment will be, so your basic housing cost will remain unaffected by interest rate changes until the mortgage is paid off.

Mortgages that entail flexible rates and/or payments have grown in popularity during periods of high interest rates and/or rapidly rising home prices. Many, including the popular ARMs (Adjustable Rate Mortgages), offer lower-than-market initial interest rates that allow buyers a measure of affordability unavailable in fixed-rate loans. The tradeoff may be higher interest rates and higher monthly payments later on.

What are the different types of lenders, and how do I choose the right one for me?

Before someone lends you the money to purchase your home, they'll want to

know a lot about you. And you're entitled to know as much as you can about them, too.

It's important because getting a mortgage is not just a one-time signing of documents, a handshake and a check. You will be depending on your lender to fund the loan as promised, on time, and over the life of the loan, to keep good payment records, pay your taxes and insurance (if included in your monthly payment) and many other continuing services.

Look for a lender that has the authority to approve and process your loan locally. It's easier to obtain information on the status of your loan and discuss conditions directly with the person who will approve your loan, rather than some far away loan committee. It's important that your lender know home values and conditions in your local area. And while biggest doesn't always mean best, financial stability, reputation, qualifying procedures, and unique programs benefit are what they offer home buyers.