

## HOW TO OWN IT

By Judith I. Johannsen

If you're a prospective homebuyer, you're probably looking for some tips on how to find a property you want and can afford to buy.

There are certain steps to successfully buying a home and they begin with a buyer thinking about and knowing what type of home he wants. Housing comes in many forms, each with its own benefits and downsides, and includes single-family detached homes, duplexes, three-family homes, four-family homes, and condominiums, attached and detached.

Most buyers know what they would like in their new home, and the overwhelming preference today seems to be granite kitchen countertops, stainless steel appliances, updated bathrooms and gleaming hardwood floors, but buyers should also understand what it is they *need*, because all houses for sale do not feature upgraded kitchens, new bathrooms and refinished floors.

Aside from knowing what they need, buyers also must know what their budget will allow; therefore, a buyer should talk with 1) a housing counseling agency to know how to be smart about borrowing, and 2) several lenders to learn about loan programs, interest rates and closing costs. Why? Because once you own a home, the monthly mortgage payment is a priority, so understanding what is owed, when it is due and paying it is fundamental.

Once a buyer knows what he can afford, he needs to know what the houses on the market are selling for. Be sharp, though, as what houses are listed for and what they sell for are two different things. The listing price is what the homeowner would like a buyer to pay and the prices that houses have sold for is what buyers have actually paid.

To see what sellers are asking for their homes, you can attend open houses. Touring properties can help to identify the added value (and cost) of an updated kitchen, hardwood floors, an open floor plan and good location versus old appliances, Formica countertops, a chopped up layout and poor location.

To find out what houses have actually sold for, a buyer can look in the Town's Land Records, consult a real estate professional, or read about recent transactions in the Town's local news.

To find sales in the Town's Land Records, a buyer needs to know the seller's name or the buyer's name for each property and the Town Clerk can point you in the right direction to find the appropriate indexes.

The second way to know what homes have sold for is to meet with a real estate agent who is active in residential real estate. Agents can provide properties' sales prices to buyers from two main sources. The first source is their own knowledge – good agents who know their areas know exactly what has sold, for what price, and how it compares to active listings. The second source for agents to find the "solds" is their Multiple Listing Service.

If you are working without a real estate agent, writing up an offer will be up to you. If you have an agent working on your behalf, that agent can help you prepare an offer, see that it is presented and help with the negotiations. If the seller counters your offer, the offer comes back to you for you to accept the seller's changes, counter the changes, or reject them outright. If your offer is accepted, you'll be arranging for financing and a home inspection.

A buyer will need an attorney for closing and, oftentimes, lenders offer to have their attorney also represent the buyer at closing. This may work out fine, but if an issue arises, the lender's first allegiance is to the bank, so a buyer may choose to hire an attorney for the closing to protect his interests.

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