

15 Easy Steps for Buying a Home in New Jersey

So, you're ready to buy your dream home. Congratulations! You have taken the all-important first step. The rest is not difficult and is outlined below.

Whether you are a first-time buyer, or a repeat home buyer, this is helpful because not only do things change, but the laws and some of the processes and protocols change.

Step 1: Decide where you want to live

Most people already know where they want to live. Others will use various means to determine the area best for them, depending on work, schools, commuting, etc. Some of the best means for helping find the perfect community for you to call home are:

1. Ask friends, colleagues, family. Ask many, not just a few. Remember that everyone has an opinion and it theirs alone (some people even like liver!), but if you ask enough people you will get some excellent recommendations.
2. Search the web. My website has access to home listings, demographics, photos and more. Of course there are many possible resources for information on the web – practically limitless!
3. Drive around. Go ahead, get lost in the side streets, visit the downtown, shop in the supermarkets and shops, have lunch, talk to people, walk about, get a sense of the community.

Step 2: Determine what you can afford

Do this early in the process. Online calculators can help or contact my team member Alex Giassa, Personal Mortgage Consultant at First Interstate Financial for a no-obligation consult about mortgage financing.

Step 3: Obtain a mortgage commitment

Yes, up front. Even if you're not sure you're going to find your house immediately. This benefits you:

- By giving you the leverage of a cash buyer when negotiating price and terms on the house you want
- By getting this important but time-consuming step out of the way early on
- By giving you the opportunity to resolve any financing issues early in the process, thereby reducing stress

Step 4: Choose your Realtor – Buyer's Broker

Choosing your Realtor can make a big difference on the outcome of your purchase, sometimes in the thousands of dollars kind-of-difference. This is a very large purchase and it is critical that you are

represented by a Realtor you can trust to act in your best interests and has the skills necessary to execute your wishes and best interests adequately. Some of the things to look for:

1. Experience – not all real estate agents have it and it makes a huge difference. We all have to start somewhere, but do you really want someone without experience leading you through a purchase of this magnitude? Would you choose a surgeon right out of medical school to operate on you?
2. Buyer Representation – this is critical. You want your Broker to represent you and then treat you fairly and per the law in case of dual agency. Get a clear explanation on how this works.
3. Education – experience is a great teacher, and education gives any profession superior understanding. There are many legal, environmental and technological issues that need to be known and understood to help guide you smoothly through the home buying process. Make sure your Realtor is keeping up with the changes.
4. Does your Realtor abide by the National Association of Realtors Code of Ethics? This document provides clear guidelines for a business that can be sometimes confusing. Adherence to the Code ensures you and others are treated fairly.
5. Is your Realtor full time? You have too much at stake to hire someone who does this “on the side” and “dabbles” in real estate.

Step 5: Decide on your time-table

Most people find their new home within a 2 week period, depending on area and supply, of course. The average length of time from finding your dream home to closing is 60 days. Sometimes 30 or 90 days can be accommodated. It depends on the buyers’ and sellers’ needs and schedule. When do you want to move?

Step 6: Look for your dream home

This is the most fun part of the process. Be guided by your instincts and remember that there is no perfect home, but there is a perfect home for you at this time, within your budget.

Step 7: Find your home and make your offer

Once you’ve seen all the contenders and you’ve found the perfect house for you, the offer must be made in writing. There is a form contract to be filled out by your Realtor and it includes all the details of your offer: price, of course, but also mortgage terms, deposit amounts, closing date, inclusions, exclusions, inspection contingency and details, etc.

Step 8: Contract negotiations and acceptance

Frequently your initial offer is countered by the seller. At that point, the price and terms are negotiated verbally and communicated through the Realtors from the seller to you and back and forth. Once the terms and price have been agreed to, both buyer and seller then sign and initial the revised contract.

Step 9: Attorney Review

After the executed contract is delivered to buyer and seller, via fax or email or mail, the contract is then forwarded to both parties' attorneys for their review. The review can take 3 business days, as the contract allows, or 3 hours or 30 days. The two latter options being most unusual. During this period, either party may cancel the contract without penalty or consequence. If you really want the home (and if you've gotten this far, you should be excited and happy), then you will want to promote a speedy attorney review and it is up to you, the buyer (as well as the seller) to help facilitate this process. A couple of important points when selecting an attorney to represent you: First, don't go for the lowest price; 2nd, work with someone who specializes in real estate transactions (would you have the GP do your open heart surgery?); thirdly, select a local attorney who is knowledgeable of the area and any issues that may be local.

Step 9: The contract phase

Once attorney review is completed, you are officially under contract. This is when you complete the mortgage processing, including appraisal and schedule and conduct any and all inspections you need. A note about inspections: you must use a licensed NJ inspector and you have a very short time to schedule, perform inspections and receive your reports, so it would behoove you to schedule inspections very early, usually while still in attorney review. Generally one inspector will inspect the home structural, electrical, plumbing, HVAC and other defects, also arranging for radon testing, inspecting for termites and other pests, and other environmental concerns. Other inspections may be warranted, such as lead paint hazard testing or searching for oil tanks. Since each property is unique, ask your Realtor, attorney and inspector for guidance. Ask your Realtor for a short list of inspectors – your Realtor goes on many inspections and has the opportunity to see how each works and relies on clients' feedback in making further recommendations.

Step 10: Negotiate for defects

No house is perfect. While on the inspection, the inspector may tell you the good parts as well as the bad but you should expect the report to lengthy and full of to-do's. Many are simply suggestions for continued maintenance, appropriate upgrades. Minor issues are to be expected. However, you should expect to have a leak-free roof, major systems in working order, and a structurally sound home. If there are major issues such as those mentioned, your attorney and your Realtor will work with you and the seller to negotiate repairs or credits.

Step 11: The other details

At this point, your mortgage appraisal has been done and your final commitment should be available (there is a date in the contract by which you must comply and provide the mortgage commitment). Your attorney will then order the survey, title search and flood certification. Call your insurance agent and get the homeowner's policy in place to begin the day of closing. You will need to have a paid receipt for the first year's insurance at the closing. Give this at least 2-3 weeks.

Step 12: Call the movers and start packing

At this point, ask your Realtor for a list of the utility companies so you can be ready to open accounts for gas, electric, phone, cable, water, etc. as of the day of closing.

Step 13: Walk through inspection

You should plan on inspecting the house sometime in the 48 hour period prior to closing. It is important to wait for the sellers to have moved out. Generally, this walk through is conducted just prior to the closing celebration.

Step 14: Closing celebration

Coordinate with your attorney as to how much money you will need at closing. It will have to be in certified funds or bank check or wire, so allow time for this that day. Get ready for writer's cramp and to finally receive the keys to your new home!

Step 15: Enjoy your new home!

Congratulations and good luck on your search for your dream home!

Trish Giassa of Town & Country Properties offers caring, professional guidance for your buying process. With 20 years experience in helping hundreds of new home buyers, she brings a level of expertise that will make your purchase one where you are in control and have all the information you need to make the decisions that are best for you.

You, the client, are always number one!

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