

# Buyer Frequently Asked Questions

## **Q: I'm thinking about buying a home. Where do I start?**

**A:** The first step for potential homebuyers is a credit check. It's best to keep an eye on your credit reports so you can spot any mistakes and dispute them. You should also avoid running up high credit card bills in the months prior to buying a home.

Next you should get pre-approval on a mortgage, which includes analyzing your income, assets, and present debt to estimate how much house you can afford. This means the lender has committed to loaning you money subject to the house you choose to buy. Being pre-approved for a loan will make you attractive to sellers because the contract won't be tied up with financial issues.

After you know how much you can spend, you're in the homestretch. This is the time for you to become familiar with neighborhoods and the features of a home. Educate yourself by visiting local real estate web sites and viewing the listings. This is also the time for you to decide what you want and need in a home.

An Eliason Realty Realtor can help you through all steps of the plan, prepare you for any unforeseen problems and eventually help you to buy the home of your dreams.

## **Q: What should I consider when I start to look for a home?**

**A:** First, put together a list of features and benefits you want in a home. Include pricing, location, size, and amenities. If you can't get a home at the price you want with all the features you're looking for, figure out what features are most important to you and rank them in priority so you know what you're willing to give-and-take. For instance, you could choose to have a large kitchen and smaller bedrooms?

You should also consider your future needs. Maybe now is the time to buy a larger home rather than buying a small home and expanding it in the future. Your agent can help you compare the price of homes with the features you are looking for.

## **Q: Should I buy first, or sell first?**

**A:** This depends on your personal situation. Do you need the equity that's built up in your present home to complete the purchase of a new home? If so, you either need to sell first or consider a bridge loan or house sale contingency. If not, you may choose to buy first and sell later. Before making a final decision, Eliason Realty strongly suggests that you engage a real estate agent with whom you can enter a trusting relationship. Then discuss this question with him or her, touching on every aspect of what it may mean for your particular situation.

## **Q: How do I choose between renting or buying?**

**A:** Owning a home offers many tax benefits, as well as the freedom to make decisions about where you live. Homeowners, unlike renters, can secure a fixed-rate loan and lock in their monthly payments, so they can make investment plans knowing their expenses won't change substantially. Renters are at the whim of their landlord, who can raise the rent each year without a renter's input. Homeowners, on the other hand, are in control of their property and decide whether they allow pets, decorating, or permanent improvements.

## **Q: Do your real estate agents cooperate with other companies' agents?**

**A:** Our agents work according to specific laws, regulations, and customs in their respective areas. In every market that Eliason Realty serves, brokers and agents from different companies work cooperatively, showing and selling each other's listed properties.

## **Q: Why do I need an agent to help me find a home with all of the technology and advertising available?**

**A:** The Internet and newspaper are good places to start researching the current housing market. You can also find information to help answer many of your financing questions. But once you've looked at what's available, it's a good time to get a professional involved.

If you go it on your own, you might spend hours scanning newspaper ads and home magazines, driving through neighborhoods seeking "for sale" signs, or phoning about individual listings and still miss some of the best available homes. An Eliason Realty agent will save you time, money, and provide access to a wealth of information resources to help find that special home.

**Q: Is Eliason Realty a member of the Multiple Listing Service (MLS)?**

**A:** Yes - Eliason Realty is a member of the local MLS, as well as being members of the national, state, and local Associations/Boards of Realtors®

**Q: What typically goes into an agreement for buyer representation?**

**A:** Like any contract, a buyer representation agreement needs beginning and ending dates. It also has an acknowledgement of your willingness to be represented by the company and its agent, as well as the amount, if any, that you'll pay for real estate-related services. Buyer agreements may also indicate whether you'll work with only one company/agent or several.

**Q: What is an Agency Disclosure?**

**A:** An Agency Disclosure is a state-required document, disclosing to you as a principal-in this case, the buyer-in a real estate transaction whom the agent or agents in the transaction represent. A state's Agency Disclosure simply notifies you of that state's agency laws; it does not obligate you to work with any particular agent or broker.

**Q: How are buyer's agents compensated?**

**A:** The buyer and real estate agent come to terms on which services the buyer needs and the way the agent will be compensated for providing these services. In most cases, a fee or commission is based on the seller's proceeds of sale and shared between the seller's (listing) and buyer's (selling) agents. In some cases, the buyer makes a direct payment to his or her agent.

Buyers sometimes pay their agent/broker directly for finding and purchasing a home. If a broker charges buyers a direct fee, it should be outlined in an exclusive agency agreement that the buyer signs when engaging the broker.

Payment arrangements vary, depending on market conditions, customary practices, and consumer expectation. Some eager home buyers offer an incentive to give their real estate agent additional motivation (generally a cash bonus when title transfers) to find them the "right" property.

As you interview prospective agents and weigh their respective services, consider which compensation options and terms will get you in the home you want and meet your individual needs.

**Q: What do all of those abbreviations in property ads mean?**

**A:** If you find yourself stumbling to understand a property description, you're not alone. We've composed a list of some of the most frequently used abbreviations to help you understand a BA from a BR and more.

|                 |                        |
|-----------------|------------------------|
| BA              | Bath                   |
| FDR             | Formal Dining Room     |
| BR              | Bedroom                |
| LR              | Living Room            |
| MBR             | Master Bedroom         |
| DR              | Dining Room            |
| FP, frplc, fplc | Fireplace              |
| FR              | Family Room            |
| WBFP            | Wood Burning Fireplace |
| LL              | Lower Level            |
| Entr            | Entrance               |
| grmet kit       | Gourmet Kitchen        |
| Dck             | Deck                   |
| Pvt             | Private                |
| Gar             | Garage                 |

|                |                 |
|----------------|-----------------|
| Brk            | Brick           |
| Upr            | Upper Floor     |
| HDW, HWF, Hdwd | Hardwood Floors |

**Q: As a buyer, do I have the right to obtain past information about the property I'm interested in purchasing?**

**A:** Yes. Sellers are required to disclose all known property defects. With your agent's help, you can find out what has happened to the property in the past. You should make careful observations, examine the property, and request or otherwise obtain any other important records. Put these requests in writing. If you decide to put an offer on a home, it's important to have a professional inspection completed before closing.



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