Ideal Timeline

1. **Hire an Agent (2-6 months out from buying)**
   We are biased, but we think hiring an agent is the best first place to start. Not only should they educate you on the buying process, they should help walk you through choosing a lender, getting pre-approved, and setting an appropriate timeframe for starting the buying process.

2. **Get Pre-approved for a Loan (2-6 months out from buying)**
   Before you start shopping for homes, it is vital to make sure you know how much money you have to spend. That's why we recommend getting pre-approved before you actually see any homes in person. A good mortgage professional will walk you through all the costs, so you know exactly how much you can borrow and how much you can afford each month.

3. **Begin Looking at Homes (2-3 months out from buying)**
   Everyone's search is different - some people buy the first house they see and others see 30+ homes before they find the one they want. When you should start looking is largely dependent upon how long you think it might take!

4. **Go Under Contract (1-2 months out from buying)**
   The average closing takes approximately 35 days in the current market, but a closing time frame between 30-60 days is not uncommon depending on yours and the seller's needs.

5. **Close!**
   This step is simple: you get your keys and move in! Your actual move-in day might be different than closing day, so make sure you are in communication with your agent about this.

6. **First Mortgage Payment Due (30-60 days after closing)**
   One of the most misunderstood aspects of buying a home is when the first mortgage payment is due. We see an average of roughly 45 days between the closing date and the first mortgage payment. This gives renters more leeway to buy sooner than they thought.

Making a Strong Offer

1. **Offer a Competitive Purchase Price**
   You don't always need to be the top offer price-wise, but you need to be in the ballpark.

2. **Secure Good Financing**
   Cash is king, and an all cash offer is the most ideal - followed by a conventional loan, then an FHA loan, and then a VA loan. Generally, a seller wants to see that you have a good mortgage company and loan officer behind you and a good loan that involves the fewest contingencies and least amount of headaches for everyone involved.

3. **Set a Timeframe that Makes Sense for the Seller**
   Sometimes you need to move in by a certain date and you may not adjust this, but your agent should talk with the listing agent and know what the seller's ideal time frame is, to ensure you can get as close as possible.

4. **Minimize Contingencies**
   Any offer you make is contingent upon many things - such as an inspection, appraisal and securing a loan. Some buyers might also need to make their offer contingent upon the sale of their current home.

5. **Non-Traditional Options**
   We do not necessarily recommend these options, but they may come up in multiple offer situations, so they are important to be aware of:
   - Waive appraisal contingency or guarantee money above appraisal
   - Waive inspection or agree to a limited-scope inspection
   - Offer a post-occupancy agreement for the seller

6. **Sell Yourself**
   Ensure the listing agent and sellers know why you are the best candidate for their property. We find it most effective to have our agent write about you and your situation in the email to the listing agent when submitting an offer.

Costs of Purchasing

1. **Down Payment ($0-5% minimum) (due at closing)**
   There is a wide range for the minimum required down payment on your purchase, which depends on the type of loan you use. The minimum for a conventional loan is generally 5% down, although 3% conventional loan options are occasionally available. An FHA loan requires 3.5% down, but there are some first time home buyer programs that could help you qualify for as little as $0 down.

2. **Closing Costs (1-2%) (due at closing)**
   Closing costs are what you pay your lender for their services and can range from 1% to 3%. You have the option of paying these costs out of pocket, asking the seller to pay for some or all of these costs, or increasing your interest rate to offset some of these costs.

3. **Inspection ($250-$500) (due at time of inspection)**
   An inspection of your future home is optional, but advised. The fee is paid at the time of the inspection (usually within 2 weeks of going under contract) and can vary depending on the size of the home and the inspection options you add on.

4. **Appraisal ($500-$750) (due at time of appraisal)**
   An appraisal is not optional if you are using a loan. You will order and pay for the appraisal through your lender. The cost is usually quoted as part of your closing costs (see above), but it is paid at the time of the appraisal instead of at closing. The cost can vary depending on whether you need to include a rush fee or not.

5. **Earnest Money (1-2% of purchase price) (due at time of contract)**
   Earnest money is a deposit that you pay within 2 days of your offer's acceptance by a seller. Although the seller and listing agent ultimately set the earnest money amount, it is usually set between 1-2% of list price. The important thing to note is that this is NOT a separate cost but is a deposit. If you cancel the deal for a viable reason, you will get your earnest money back. If you complete the purchase, it will be credited back to you at closing to use towards other costs (i.e. closing costs, down payment, etc).