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How to answer these 7 common first-time homebuyer questions

Proactive answers will help you keep your buyers in the know

BY KAYLA MATTHEWS

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As a general rule of thumb, [first-time homebuyers](#) run a wide gamut when it comes to their flexibility, patience, degree of preparedness, the ability to zoom in on priorities and even agreement on wish list items.

That being said, [real estate agents](#) who work with first-time homebuyers report consistently high levels of motivation, excitement and nerves — a combination that certainly has the potential to create a perfect storm.

and in detail stand at least one step ahead of the competition and facilitate an overall positive experience.

1. ‘How much house can we realistically afford?’

One of the most common ways [first-time homebuyers](#) approach the matter of affordability is to save up for a specified down payment — the amount of which ultimately guides the parameters of their search.

Mortgage lenders provide countless calculators with varying estimated payment options. Because these tools are generalized, be sure to present buyers with location-specific home insurance and tax data.

Offer likely utility figures and a [home improvement budget](#) as well. Homebuyers with the big picture in mind are less likely to bite off more than they can chew financially.



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2. ‘Do you have experience in this area and price range?’

Now that buyers have a well-informed idea of what type of home they can reasonably afford within a specific location, it’s [important to display evidence](#) of a strong agent-client match. Point to relevant experience with rural or urban properties, commuting issues, knowledge of local zoning ordinances and even eco-friendly home improvement options.

3. ‘How — and when — can we set up home inspections?’

Parameters for finding information about the condition of any property should be clearly defined. Identify who arranges [home inspections](#) at the get-go, as well as whether or not they can be completed before an offer is made.

Results of inspections that take place after both parties sign an agreement may alter original terms. Make sure bids are contingent upon relevant findings and a time limit is set within which [down payment amounts may be returned](#) if homebuyers change their minds.

Agree, in advance, who will be present during all home and pest inspections as well as which party is responsible for service payment. If possible, compile a list of area providers known for thorough and quality work.

4. ‘What should we offer?’

offer.

Examine the homeowner's situation.

- Are they motivated to sell?
- Is the house listed **as-is**?
- Do they sit in a position where they can comfortably wait for a competitive offer?

Next, look at comparable market data. Is the property in question on the high or low end of area home values? If demand is great, consider presenting an attractive offer as possible, such as cash only or one that agrees to limit contingencies.

Informed bids based on a combination of factors such as research data, market trends and the motivations of both buyer and seller have the highest chance of being accepted.

5. ‘How quickly can we complete the process once our bid has been accepted?’

Most contracts revolve around **closing dates within 30-45 days** of signing. Loan pre-approval, satisfactory completion of home and pest inspections and mutual contingency agreement all move the timetable along quickly.

6. ‘Can we ask for concessions if we see repairs we want to do ourselves?’

Buyers with home improvement vision or a commitment toward sustainable living may want to update major features before moving in.

The knowledge, for instance, that clients are interested in going **solar** puts homes with roofs that need repair high on the must-see list. If energy-efficiency is their thing, consider searching properties with old windows, appliances or a sketchy boiler system.

Switching to eco-friendly models as a best-interest scenario for the buyer is the perfect impetus to ask for reasonable financial compensation instead of holding the seller responsible for repairs. Whatever can be conceived as a win-win concession proposal improves chances for a satisfactory sale all around.

7. ‘What are closing costs, and how do we compute them?’

If buyers are taking out a loan for the purchase, refer to their lending institution for a copy of the HUD-1 statement. Real estate agents who are familiar with titles and escrow are well-

In general, closing costs run between 2 percent to 5 percent of the agreed-upon purchase price.

Perfect storm averted. Proactive answers to these questions help Realtors keep first-time homebuyers in the know — and on the sunny side of the street!

Kayla Matthews covers smart technology and future trends for websites like VentureBeat, Curbed and Motherboard. You can read more posts by Kayla on her personal tech blog: [Productivity Bytes](#).

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