
How to Find the Best Real Estate Agent in San Diego... for You!

THE SURE PATH TO THE BEST RETIREMENT



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INTRODUCTION

Maybe you've already done plenty of thinking and strategizing for your retirement. Examining your goals... choosing the location... planning financially... these are all crucial steps. And so if you've already got all that down, good work and congratulations!

But even with all this, *the timing of your move is another major factor to consider*. Before engaging a real estate agent, *carefully consider where you are in the decision making process*. Are you a "buyer" who is ready to purchase a home? Or are you a "shopper," just browsing options?

This is the moment where all your personal needs, preferences, and dreams come together and determine if you should move forward. Your time frame must be well defined... and anything less could lead to difficulties. So whether you are ready to buy... or still shopping... either way is OK. *Just figure out exactly where you stand... and be clear about it*.

Finding the right agent is the next critical step. This e-book specifically helps buyers who are ready to hire the right real estate agent and find their retirement home in San Diego. We'll highlight all the specific services a great agent provides...so you can see the true value and fully understand what agents do for you.

In our many years of combined experience we've helped plenty of happy retirees and homeowners improve their lives and reach their goals. And we've also seen the consequences of **not** following best practices and customized advice. *We want to prevent you from wasting time and money... and help you avoid frustration, confusion and many other needless problems*.

Remember, not all real estate agents are the same. Some specialize in a certain niche within the market, and others work with specific clientele. But whatever the case, *don't forget that the agent works for you... and the decisions are always yours to make*. You should expect specific and personalized advice... a professional who moves at your pace... handling and explaining all the complexities, legal requirements, paperwork and meetings... *while helping you manage all the emotions you'll face in the decision making process*.

This work is a compilation of experiences and feedback of real estate professionals and actual homebuyers. It serves as a basis for comparison so you can confidently evaluate agents... set the right expectations... and make smart decisions in finding your home. You'll find a wealth of education covering various strategies, techniques and tips that you can immediately put to work... and we'll preview what you can expect at each step of the process.

After all, there are plenty of beautiful, affordable homes in San Diego. But getting the best deal and making the most sensible decisions involves a lot more than most buyers realize... and not just any real estate agent will do!

CHAPTER 1 – THE BIG PICTURE VIEW OF THE ROAD AHEAD

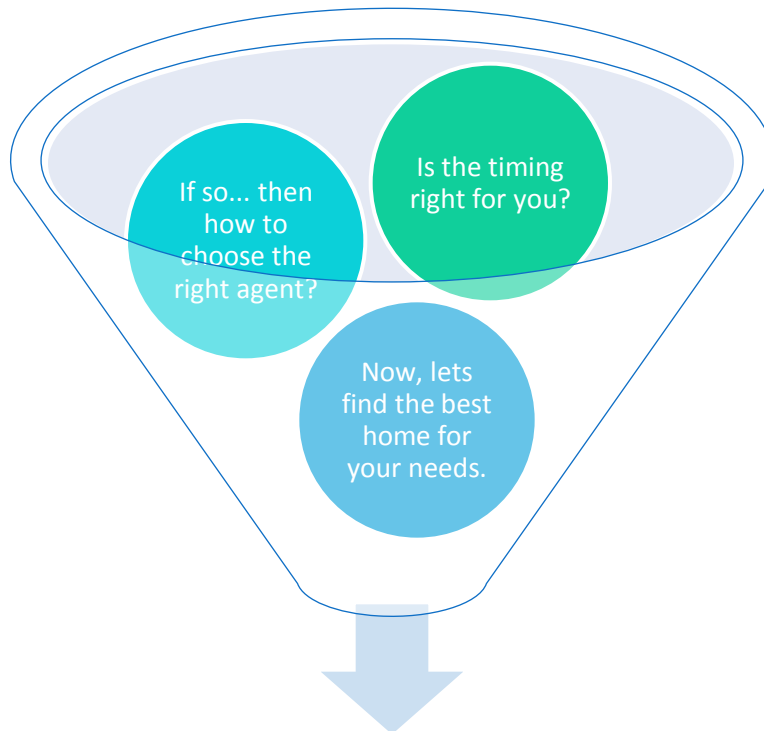
There are a myriad aspects involved with any move and buying a new home. Especially when moving for retirement... you only want to do it once... so get it right the first time! And in general, the more preparation you make, the better off you'll be when the time comes to make your move.

Timing is the other critical factor. Maybe it's now... or maybe you're still a few years away. If the time for retirement is still not right, go back and reevaluate where you are. Keep researching, planning and preparing... *until you know the time is right.*

However, if now's the right time to move forward, then you need to seek out and engage a dedicated real estate agent who specializes in helping buyers like you.

Here we'll highlight several areas to consider and evaluate, *even before you reach the point of choosing an agent*, in order to be sure that you are truly ready to make a move.

We can use a "funnel" to help visualize and help you understand where you are now:



Living a fantastic retirement in San Diego!

WHAT TO CONSIDER

Yes, you should be fully ready on your end... make sure your planning has prepared you for this move. Go back and double-check your situation. *Establish if you truly need to make a move.* Highlight all the compelling reasons for you to move for retirement.

BEWARE OF EMOTIONS

Before we dive into the finer points, keep in mind that this is a decision making process that presents a particularly big emotional challenge. You will be fueled by emotions throughout, both positive and negative. But either way, they can be harmful and distort you from seeing things as they truly are... especially in realizing whether there is a genuine need to move or not.

Unfortunately, our emotions often lead us to make irrational decisions... or can even keep us paralyzed, preventing us from making any choice at all. Many home buyers are heavily influenced by emotions, like fear, insecurity and pride, that prevent them from making logical decisions. Many end up making choices that go against their best interests and come to regret them.

As with many experienced real estate professionals who truly care for their clients, we easily recognize the signs and symptoms.

After all, much of the real estate industry is geared towards providing a good feeling via the images presented in advertisements... glossy professional photos of home listings and neighborhoods and professionally staged homes for example. These things are designed to appeal to us subconsciously and create a positive or negative feeling somehow.

Unfortunately, the logical side of our decision making doesn't enter the picture until after our emotions have already made the decision for us.

OK THEN... WHERE'S THE PROOF?

How do you know this is the right decision for your timing, your budget, your goals and your particular situation?

Both positive and negative emotions often create a strong desire to take action, but the logical rationale still needs to be considered before a truly smart decision can be made. Evaluating all the facts, features and benefits is important... so you can have concrete proof to back it up your decision. Otherwise, it's just your emotions pushing you... *and emotions are very likely to change at any moment.*

Do you have any real proof that your emotions are leading you in the right direction? Be thorough and make your decision after taking a 360° view of all your options.

ARE YOU A BUYER OR A SHOPPER?

A “shopper” is someone who is just testing the market to see what happens but does not need to move anytime soon. We recognize that many of senior visitors are 1-3 years away from retirement or making a move and they are just exploring their options.

CONSIDER THE PERSPECTIVE OF A REAL ESTATE AGENT

The top real estate agents build their business around providing the best possible service to their clients. They count on referrals from satisfied clients to grow their business. *They want to devote as much time and effort as possible to helping homebuyers or home sellers accomplish their goals.*

AN AGENT HAS TO IDENTIFY TRUE BUYERS FROM SHOPPERS

Many people have the time and desire to shop, and are entertaining thoughts and desires to move. But without a compelling reason, *shoppers may not be buyers anytime soon.*

It's only fair for shoppers to view agents as professionals, just like any other who provides their services and expertise in exchange for their livelihood income (Doctors, Lawyers, Accountants, etc.). But of course, this doesn't always happen either.

THE 80/20 RULE

Based on the Pareto-principle of economics and also known as the “law of the vital few”, the 80/20 rule states that *20% of your efforts will produce 80% of your results.*

In Real Estate, “shoppers” make up the majority of people contacting real estate agents, especially those helping home buyers. This means they aren't ready to fully engage the real estate agent, and they aren't prepared to take advantage of the full range of services and dedication that the agent offers.

From an agent's stand point, this can potentially prevent them from fully dedicating their time and effort to those clients who are serious buyers. And obviously, it is not a productive source of the agent's revenue.

THE DISCONNECT BETWEEN SHOPPERS AND AGENTS

Shoppers may accuse an agent of trying to "sell them a house." This is a clear disconnect because in fact, an agent's job **IS** to sell the buyer a house... one that fits the buyers' criteria!

Of course an agent can only do their job if a client is buying. But if they are only shopping, then it becomes a completely different story.

Agents could spend much of their time, expertise and resources with people who say things like:

"I would like to buy a house in... and this is my budget, \$\$\$\$. Or I would like to see this house today or this weekend...."

But when the agent asks what their time frame for moving is, they simply say:

"we are open... we are flexible... in the next 6 months," or another common response is: *"when we find the right house"*

These are all big red flags to a serious real estate agent.

In general, agents are targeting the majority of their time and efforts to working with buyers who are ready to move. *However, that doesn't mean you'll get the door slammed in your face if you're not quite there yet.*

WHAT IF YOU ARE A "SHOPPER?"

Just keep in mind, it's not "free" to use an agent's services. Just like other professionals, you should choose and respect a Realtor® just as carefully as you would choose a doctor or lawyer.

But as a "shopper" please don't take this harshly. All it means is that you haven't reached this phase of the decision-making process... or the buying stage. It's only then where you should engage an agent for their full services.

Although you're not quite there yet, if you are serious about buying a home, you'll eventually advance to this point. Just continue on with your own research and planning,

And to be fair... you need to kindly disclose this to an agent upfront:

"I have not made a decision to make a move therefore I am not ready to hire an agent to represent me."

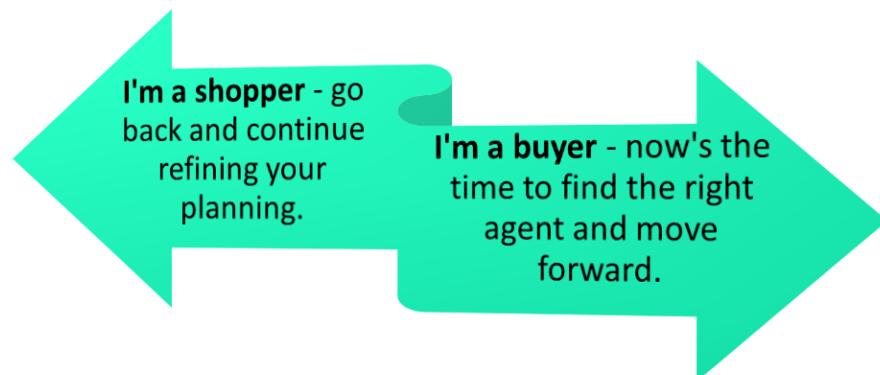
"However, I do have some questions on this community or house..."

And in this case, most agents will be more than happy to answer those questions to establish trust and perhaps gain your business in the future.

Engaging the many the services of an agent without a clear understanding is a *big no-no*.

Remember, you're dealing with person's livelihood, many who are senior agents themselves. And there is a tremendous opportunity cost at stake if an agent has to waste time, energy, and resources. It means taking away someone's time from spending nights, weekends, days with their families. Or even more, it takes away from other deserving homebuyers who need the agent's full attention and expertise.

Rest assured, most agents will readily answer any questions and provide helpful guidance and advice to get the shopper headed on the right path. But there is no shortage of websites and online resources filled with helpful information, all at your fingertips. *And shoppers can easily make huge progress in narrowing down candidate homes and communities until the time is right for them to buy.*



YOUR REASONS FOR MOVING?

The following are few ideas that should all be taken into consideration in determining whether you really need to make a move.

DOWNSIZING

The lower costs and manageable size of a smaller home can bring many benefits and conveniences. Downsizing to a small home, one that's less expensive and a better-fit, is a huge way to build retirement savings. Many retirees are happy with 1-story homes with 2 bedrooms and 2 baths of roughly 1,200 – 1,500 sq. feet. And they find this is plenty for their needs and in line with their budgets.

If your large family home is mostly vacant, then the higher bills, maintenance costs and taxes, will quickly eat away savings. If you don't need all that space and the children, relatives, or even a spouse have moved out or passed away, then downsizing could make sense for you.

According to marketwatch.com, many retirees wait far too long before downsizing their homes... until their children have finished college and moved out... or until retirement. But this should be done *even before you retire or while the kids are still at home*. The difference in retirement savings could be immense and give you a wider range of choices and flexibility.

Or instead, perhaps a senior who lives in Carlsbad wants to "downsize" from a \$2,500 per month mortgage payment, and wants a home the same size or larger but with a lower payment.

Downsizing almost always creates some "breathing room" financially, allowing many to stretch their retirement income a lot further.

Source: www.marketwatch.com/story/5-real-estate-mistakes-retirees-make-2014-10-20

INVESTING THE HOME EQUITY

After downsizing, not everyone buys a smaller home, or a home that's actually less expensive. This can be a missed opportunity.

If downsizing does bring a big payout... be sure to spend it wisely. *A well planned investment strategy is important, and includes knowing how to spend it and when.* It means always being aware of potential future costs and expenses. Solid financial planning will help you consider tax liabilities associated with various savings and retirement funds (IRA, ROTH IRA, 401K, Pensions, etc.) and help you stretch your assets as far as possible.

CLOSER TO FAMILY

Hopefully a move in retirement to be closer to children or grandchildren will be in line with your other personal interests and retirement goals.

Some retirees also seek out housing that is large enough to accommodate guests and families for extended visits.

And equally, moving too far away from family and friends could be unpractical and have you doing a lot of travel back and forth to visit them. In that case a location with easy access to highways and airports is important.

WHO IS IT THAT WANTS YOU TO MAKE A MOVE?

Is it your kids that want you to move closer to them... so they can visit you more conveniently? Are they planning on and taking care of you as you get older?

While this is a nice idea, as a senior you might feel uprooted from an already comfortable home and community. You may end up moving close to family at the cost of losing the feeling of independence and greater self-esteem.

Many agents get “shopper” inquiries from close friends, relatives, children on behalf of their close friends, parents or family members. But this poses potential problem since the decision maker is not active in the process. That’s because most likely, they aren’t motivated to make the move themselves.

However, be sure that moving close to family isn’t too big of a compromise. It’s important to find a balance between your personal retirement goals, your family and medical needs. Try to not to compromise all the things that you enjoy personally yourself.

MOVING FOR MEDICAL CARE

If your healthcare is a priority, then simply moving closer to a medical facility is an obvious motivation. Having access to assisted care at home, or finding a home specifically suited for disabled or special needs persons are other options.

Most people who eventually move, usually to so for very specific reasons. That includes moving into an assisted living or independent living facility, or an advanced care facility. Many seniors plan to sell their homes to raise the funds needed to move into assisted living facilities where all their needs are provided for.

How far do you have to travel to see your doctor? Research several doctors before moving, especially if you have particular health issues. Find one you’re comfortable with, who is nearby, and that accepts your insurance plan.

No matter when you move or where you move to, be sure to factor in medical needs and their costs into the decision. Even if you’re in good health now, this could change at some point as you reach your 70’s and 80’s.

TO ENJOY THE SAN DIEGO LIFESTYLE

This one speaks for itself, and there’s not much you argue about no matter where you live in San Diego. Being close to the beach or mountains, urban centers, suburbs or your favorite destinations and activities is one of the principal reasons for living here.

WHAT BETTER PLACE TO RETIRE IS THERE?

The quality of life in San Diego is matchless! It's an active, outdoor paradise with endless attractions... the best hospitals and medical centers... great continuing education options... top professional and collegiate sports teams... a beautiful downtown... and an excellent culinary and restaurant scene.

The truth is... San Diego is a place like no other... with unlimited diversity, beauty, culture, activities... and the perfect weather to satisfy pretty much anyone!

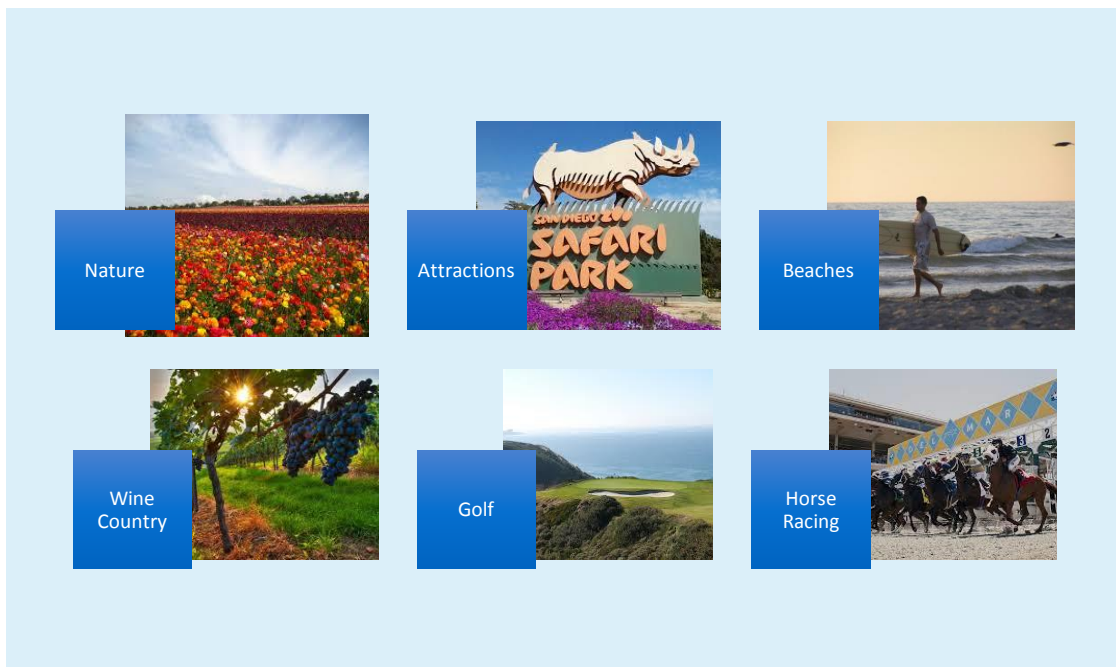
Why wouldn't you want to retire here? Can you think of a better place to spend the rest of your life? You can ask anyone who lives here... or just come see for yourself!

MISUNDERSTANDING SAN DIEGO

The best approach to retiring and choosing a home in San Diego is to be practical. Set your expectations based on what you know about the area. San Diego's quality of life is amazing... and everyone agrees! People from all around the world desire to live here. Once you do your homework, you'll understand the why the housing market is priced the way it is.

Home price and size don't guarantee you a stellar retirement... *bigger isn't better!* Other retirement destinations might offer bigger homes for lower prices, and seasonal locations like Florida, Nevada and Arizona are nice. However, the extreme weather conditions in the summers and off season are a big turn-off.

And when you compare apples to apples, you're truly getting a much better value in San Diego. No other location matches up. You have a spectacular lifestyle and climate all year round! In this context, a closer look at the housing market, and your own practical needs in retirement, will help you clear up any misconceptions or biases you had about living in a smaller homes or retirement communities.



OTHER MAJOR CONSIDERATIONS TO THINK ABOUT

These are the some of the main points to focus on as you strategize and layout the “blueprints” for your retirement:

IS AGING IN PLACE A BETTER OPTION FOR RETIREMENT?

Many seniors are truly better off to age in place. *This means remaining in the current home, in their existing community.* For the most part they may already feel completely comfortable, or near self actualization in their surroundings.

Moving to a new home or location might not be compelling enough motivation for leaving friends, family, jobs, hobbies and volunteer opportunities in the community that you are already comfortable with.

CONSIDER WHETHER YOUR BASIC NEEDS ARE ALREADY BEING MET

According to Abraham Maslow's hierarchy of needs:

- 1) **Biological and Physiological needs** - air, food, drink, shelter, warmth, sex, sleep.
- 2) **Safety needs** - protection from elements, security, order, law, stability, freedom from fear.
- 3) **Social needs** - Love and belonging - friendship, intimacy, affection and love, - from work group, family, friends, romantic relationships.
- 4) **Esteem needs** - achievement, mastery, independence, status, dominance, prestige, self-respect, respect from others.
- 5) **Self-Actualization needs** - realizing personal potential, self-fulfillment, seeking personal growth and peak experiences.



This is a 5 stage model that highlights how deficiencies in our basic needs motivate us to take action to fulfill our needs. We build stronger desires to meet our needs the longer we go without them. However, once we've satisfied our lower level basic needs, we move on, progressing to fulfilling our higher level needs. This theory of progression continues until we've finally satisfied our needs for self-actualization. (source: <http://www.simplypsychology.org/maslow.html>)

Keep this principle in mind as you evaluate your current living situation. Many times, it can be more efficient to remodel an existing home... invite family members to move in... and arrange for live-in nursing care to accommodate the needs of aging seniors.

TIMING – TOO SOON OR TOO LATE?

RETIRING TOO SOON

Do you think you're ready to stop working? Or will you miss it too much? It's a very common dilemma among retirees, and the transition is a challenge. Many retirees haven't fully envisioned life after their working career ends. Otherwise the financial means are lacking, savings, pensions or investments alone can't support a retirement lifestyle. And it can be difficult to re-enter the workforce at this age.

PLANNING YOUR RETIREMENT TOO LATE

Another common problem that can lead to limited options and poor decisions. If you haven't given yourself enough time to plan and develop a few fallback options, then you may need to push retirement back a few years. Neglecting to plan earlier on in your working career might keep you trapped in the workforce a little longer than you had hoped.

Rest assured, you'll find suitable options. However, not as many as you would have, if you started planning earlier. Hesitating leads to fear and worrying about retirement, instead of looking forward to the best part of your life.

Thinking about where, when and why you'll retire are important basic steps. Of course you also need to determine how to afford your retirement life. Some basic planning tips and advice will help clarify and start to alleviate your worries.

CUT SPENDING

Extravagant and wasteful spending will likely restrict your retirement plans. Adapting frugal habits will make a big difference in preparing financially. Even if you're well-heeled, it's still a smart way to be ready for the unexpected.

Develop a budget and stick to it... embrace a modest lifestyle by living below your income. Using good judgment on purchases along with a well-defined savings plan is essential. Maximizing contributions to IRA and 401(k) plans can be a big boost and get you closer to your target.

RENTING BEFORE YOU BUY A HOME

Throughout your planning, it's important to study several different options and take your time. Your agent will help line up potential homes and communities that fit your needs. It's also essential not get overwhelmed *or become too impatient*.

Renting is a nice temporary option to help you evaluate the location and lifestyle. This way you can get a first hand look and ease into the lifestyle by meeting locals and finding your favorites places and activities.

Other reasons to rent include...

- Sampling different neighborhoods and communities in San Diego. Get a taste of the community before you actually buy a home.

How to Find the Best Real Estate Agent in San Diego... For You!

- Consider new housing options. San Diego has many options to choose from, including: 1 or 2 level homes, manufactured homes, studios, townhouses, high-rise apartments, single-level apartments, condominiums, guest houses and more.
- Live like a “snowbird”, spending winters in San Diego while living in your primary residence during the summers. Take more time to decide on a full-time move, give yourself enough time to plan and sell your current home.

Avoid making a rushed decision that you come to regret. Especially if the timing isn't right and you're not getting good offers on your current home. Renting can help you avoid pressure to buy or sell your home too quickly.

THE NON-NEGOTIABLES

Take time to make a list of items for your next home that you consider *non-negotiable*. These are “must-have” features that any potential home needs in order to be considered in your home search. This helps you clarify in your mind what your next home looks like and helps you evaluate the candidate homes when the time comes.

This is your future home we're talking about... so what do you need to be happy there? How many bedrooms, bathrooms, garage size, patio, storage, kitchen style, etc.? Your list of non-negotiables will greatly help your real estate agent identify the right homes for your consideration... many times they've already seen these homes or will preview the homes that interest you.

As you evaluate the pros and cons of potential homes, your non-negotiable list will help you narrow down and identify the best options. If none of your *non-negotiable* items appears on the list of con's...you might just have found a place that could be your next home!

CHAPTER 2 – A DETAILED LOOK AT THE BUYING PROCESS

Once you've considered your circumstances and decided that homeownership in San Diego is the right move for you... be prepared for the requirements and nuances of the buying process.

Here is an overview of the typical steps involved...

STEP 1 – CHECK YOUR CREDIT

If you'll need financing, you need to be aware of your credit score. Know your rating, which is typically anywhere from 350 to 850. A higher score indicates a lower risk to a lender and you are likely to receive favorable financing terms.

You'll be able to receive a free copy of your credit report, once per year. Annualcreditreport.com is a great resource and is explicitly authorized by Federal Law to provide credit reports to the public.

There are 3 credit reports available, from the three nationwide consumer credit reporting companies - *Equifax, Experian and TransUnion*. Each have their own credit scores, *and they all may all differ*. So it's definitely smart to check your credit regularly and make sure all information is updated and accurate. Learn more about your actual credit score and see how it is affected.

The 5 main components to a credit score:

- Payment history: 35%
- Amounts owed: 30%
- Length of credit history: 15%
- How many types of credit in use: 10%
- Account inquiries: 10%

STEP 2 – KNOW HOW MUCH CAN YOU AFFORD

Use an online mortgage calculator to figure out how much you can afford for monthly mortgage payments.

Two good options are: <http://www.mortgagecalculator.org/> or <https://www.zillow.com/mortgage-calculator/>

You will also need to factor in the following expenses:

- Down payment (20% is not always the rule and loans are available with little or no down payment)
- Closing costs (attorney fees, appraisal, inspections, etc.)
- Remodeling costs
- Furniture

During the buying process you can expect your real estate agent to put you in touch with the right mortgage lender to understand all the loan options, closing costs and fees.

STEP 3 – FIND THE BEST REAL ESTATE AGENT FOR YOU

If you are truly ready to move forward and buy at this point, you'll need search for the best agent for you. This likely means choosing a home buyer specialist or "buyer's agent." We'll go into much more detail later on. But your focus should be on a Realtor® who works with people similar to you and always puts their clients first!

Take your time and learn the right questions to ask and signs to look for in an agent. Working with the right agent will simplify the process and will make everything go smoothly. This is crucial to your success and happiness in building your retirement lifestyle.

The agent will also help you work with the right Mortgage Lender (if needed). You should get a "pre-approval" to know how large a loan you are qualified for and know your purchasing power before searching for homes.

STEP 4 – SEARCHING FOR THE PERFECT HOME

Start with your own homework and know what you want. Analyze your wants and needs with your agent

Be ready with a list all your "non-negotiables" and "must-haves," the features important to you in the community and in the home itself.

Visit and evaluate the matching candidate homes together with your agent. Understand all the aspects of the homes that best fit your needs. With the help of the agent, rank each of the homes you visit to find the best choice.

STEP 5 – MAKING AN OFFER ON A HOME

Prepare a fair offer by evaluating comparable properties and include key elements of the offer including: price, deposit amount, closing dates and subject clauses or contingencies to be met.

The agent will do all the research and prepare the formal offer (legal contract of purchase & sale) and will also present and negotiate the offer on your behalf.

STEP 6 – MAKE ARRANGEMENTS FOR HOME INSPECTIONS

Now's the time for deeper due diligence on the home – a closer examination of the safety, defects and potential repairs. Your agent will help you make all arrangements for any necessary inspections.

STEP 7 – CONFIRM YOUR FINANCING (IF NEEDED)

You can also get an actual loan approval before you start the home search. This helps the sale go through quicker once you make an offer... *and you'll be more appealing to home sellers since the financing is already guaranteed.*

Otherwise, a mortgage broker will help you get the right mortgage, evaluating the best loan options, specifying closing costs and confirming that the funding is in place for closing on the home.

STEP 8 – CLOSING THE DEAL

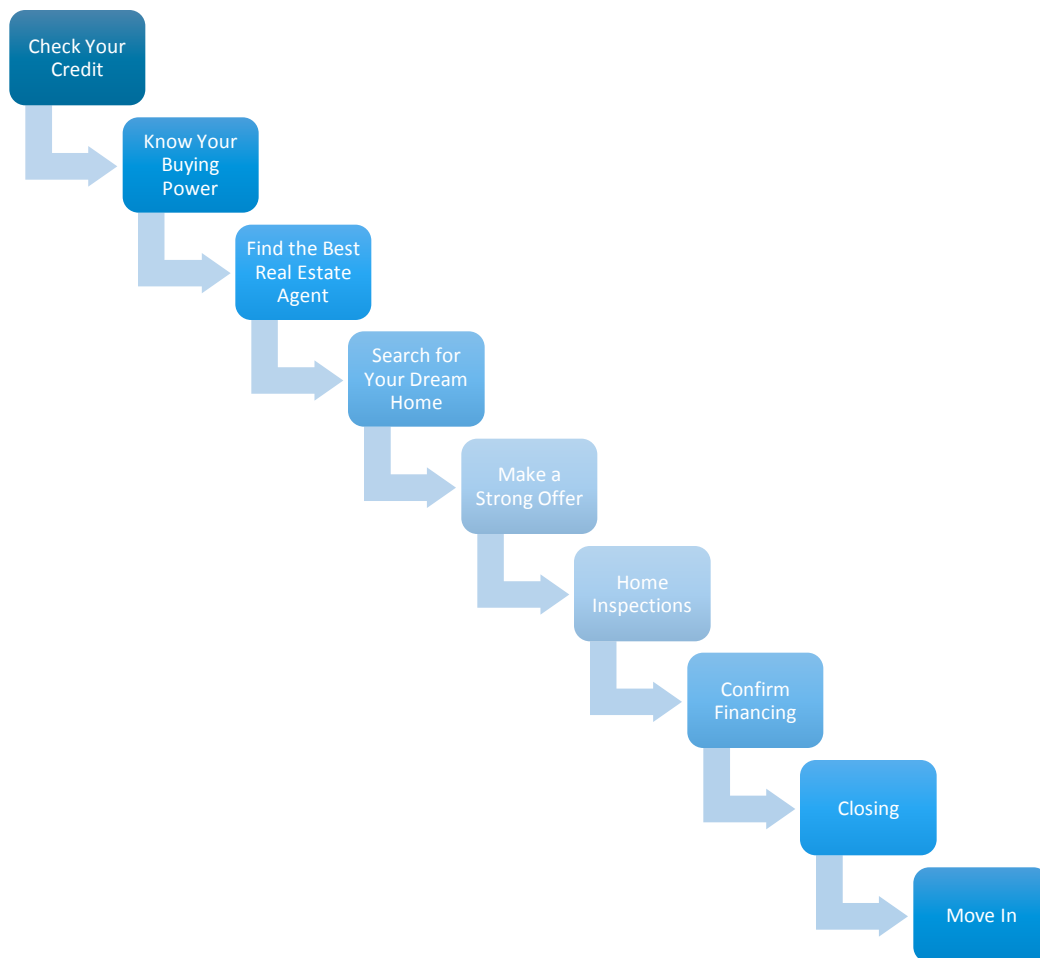
After home inspections are finished, financing is in place and any contingencies are met, the closing documents are completed. Then closing date is set and money and title are exchanged.

STEP 9 – MOVE IN

The buying process is officially finished – the day you’ve been waiting for! Now you can take finally possession...enjoy unpacking your things and making it your home!

And also, if you need help with a mover, your agent can help you there too.

SUMMARY



CHAPTER 3 - HOW TO CHOOSE THE BEST REAL ESTATE AGENT FOR YOU

You're about to *kick off* your dream retirement lifestyle in San Diego! Now that you know what's involved, you need a San Diego Realtor® who's not only highly professional and competent, but who is genuinely dedicated to helping you.

So keep in mind... not all agents are the same in this regard... and some specialize in specific services.

THE DIFFERENCE BETWEEN BUYER'S AGENTS AND SELLER'S AGENTS

It's important to have a fundamental understanding of the concept of **agency** in buying or selling real estate. There are different kinds of agents who serve specific needs depending on whether you are buying or selling a property. And additionally, an agent may work in several different capacities.

LISTING AGENT

In San Diego, you'll likely hear the terms "listing agent" or "seller's agent" used quite a bit. They both refer to the same thing. This is the agent who represents the seller on the sale of a property. A seller's agent will show homes for sale to homebuyers on behalf of the owner.

A seller's agent is obligated to represent the best interests of the seller. *As a buyer, the seller's agent does not represent your best interests, nor will they protect your confidentiality or try to negotiate with the owner on your behalf.*

DUAL AGENCY

This is a situation where one real estate brokerage company, or the same agent, represents both the seller and the buyer on the same transaction. *Here you have a particular dilemma where the agent cannot possibly negotiate the best price and terms for both parties.*

BUYER'S AGENT

Buyer's agents, also called "home buyer specialists," are obligated to negotiate the best terms and price for a homebuyer. When you hire a buyer's agent to represent you, you will have full assurance that the agent is working solely for your best interests.

Buyer's agents are also referred to as "*selling agents*" or "*co-operating agents*." And because they cooperate with a listing agent to help sell a listing, they are paid a portion of the commission (*paid only from the seller*).

Some buyer's agents represent buyers in buying a home, *but they can also offer services as a listing agent to help people to sell their homes*. But this is only on separate transactions, and they **would not** represent both the buyer and seller (like in dual agency).

On the other hand, an **EBA – Exclusive Buyer's Agent** - is an agent who only works with buyer's, on the purchase side of a transaction. They do not offer services as a listing agent or work on behalf of sellers.

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If you choose to work **without** a buyer's agent, it is still possible to look for homes and drive by or visit properties on your own. But consider this... when the time comes to make an offer, if you do it alone, *it will be the seller's agent who writes up the contract for you and the seller.*

Wouldn't you rather have a buyer's agent, representing your best interests, to help you write up the offer and help guide you through the entire process?

AGENT COMMISSIONS

It's worth noting here, and we'll come back to this several times, **that commissions paid to agents are paid by the seller.** They are paid out of the proceeds of the sale of the home. Typically, when a seller lists a home for sale and uses a listing agent, he sets the sale price and the commission paid to the agent(s). This is generally around 6% of the sale price.

This also involves determining what the split would be if a buyer's agent is involved. From the seller's standpoint, this is done to incentivize buyer's agents to show the seller's property. Very often, buyer's agents work with a listing agent to help sell a property, and they are paid a co-operating broker's commission. *So if the seller pays 6% commission, the buyer's agent typically gets half 3% or 2.5%.*

If a homebuyer doesn't work with a buyer's agent, then the listing agent would keep the full amount of the commission. Obviously this is the most ideal situation for a listing agent. However, it's not always the fastest or best option for the seller. Nor is it ideal for a buyer to go without representation.

The final purchase price of a home can be the same... or even higher without a buyer's agent. For example, you decide to purchase a home for \$200,000 and the commission is 6%, \$12,000 total (6% of \$200,000). The payouts are as follows:



By working with the buyer's agent you have a much greater chance of negotiating a lower price and better terms on the deal, AND you'll have complete guidance and support throughout the entire process. You also have a chance to negotiate the commission paid to your buyer's agent, which can save you even more money.

But you can see; you're not saving any money or gaining any advantage by forgoing the hiring of a buyer's agent. You'll likely pay the same price, or even more than what you would have, if you had not engaged their services.

FIND AND INTERVIEW SEVERAL AGENTS

Now that you know how to your focus research be prepared to interview at least 3 different “buyer’s agents.” You might go directly online to some sites such as <http://www.zillow.com/>, <http://www.realtor.com/>, www.trulia.com, and <http://www.yelp.com/> to look for agents in the area.

And with that said, you should realize that many real estate agents have different niches and specialties... where often times the price point is a determining factor. Some agents focus exclusively on the upper end of the price range and won’t be able to offer the same personalized services to lower end buyers. **In fact, you should look for an agent who specializes in helping buyers just like you.**

But be sure to ask friends, family, or co-workers for great agents they know or have worked with (especially those who’ve recently bought in an area you’re interested in). *Remember that referrals are the livelihood of great agents and you can find a nice fit this way.*

Some of your friends and family might actually be agents. But remember, just because you know them doesn’t mean that they will be the best fit for you. You need to be able to hold them to the same high standards you would expect from any other professional agent... including possibly expressing dissatisfaction or even firing them.



WHAT TO LOOK FOR WHEN CHOOSING THE BEST REAL ESTATE AGENT

Before making any decisions, be sure to evaluate the following criteria...

PROFESSIONALISM

A crucial starting point, always remember that Realtors® provide professional services. Just like doctors, lawyers, accountants or any other professional you do business with... you must be impressed by their professionalism and feel confident in their abilities.

ONLY WORK WITH A FULL-TIME REALTOR®

Many agents do this work as a part-time job while working another full-time job. Balancing several different jobs makes it very difficult to remain up to date on current laws and regulations, industry changes and the current best practices in the industry. A busy, full-time Realtor® stays closely connected

to other real estate professionals on a daily basis. This kind of constant exposure enhances their expertise... which will surely benefit you as a homebuyer.

QUALIFICATIONS AND LICENSING

View their credentials and professional status. The State Licensing Board will provide the agent's real estate license status and number with the name of their current real estate agency. You can also see continuing education progress and check to see if complaints were ever filed against an agent or any past disciplinary actions issued.

AN AGENT'S EXPERIENCE & CLIENT TESTIMONIALS

How long have they been in the business? For how many years or how many clients have they worked with? Is this a full-time job for them? If so, they're likely to be fully up to date and aware of the market and various regulations.

And what are their clients saying about them? Ask to see client reviews. Remember, from a real estate agent's standpoint, building a great reputation for excellent service is the most important thing for them to build and grow their business. Therefore, having strong reviews and referrals are crucial to an agent's livelihood.

Feel free to ask about any negative client experiences and find out why a client has been a bad fit for the agent. These are all great clues to give you a better feel for their services and abilities.

But also keep in mind, a properly trained newer agent may work just as hard and effectively as a seasoned veteran.

ARE THEY LOCAL RESIDENTS... HOW WELL DO THEY KNOW THE AREA?

Find out how many sales they've completed in your target area.

Some of the best agents are those who have helped other home buyers purchase homes in the same communities, neighborhoods and even the same street that you're looking at.

Additionally, *are they property owners themselves?*

If they've lived in the area for a long time they'll know the history and every relevant detail of local life. They should be local experts with a deep expertise for the area that interests you.

ARE THEY INDEPENDENT?

A true buyer's agent exclusively works for you, the buyer, not the seller.

They have no interests with the seller and don't accept sales commissions from vendors or developers. If they represent both buyers and sellers on the same house, you could have a conflict of interest. Make sure you only work with a buyer's agent.

MAKE APPOINTMENTS

Once you've compiled a list of names, you might contact 3 or 4 agents to schedule a no-obligation consultation. Approach each interview by asking a simple question:

"How do you work with your buyers?"

Soon enough you'll start to see the differences. If you get a positive response and feel like,

"wow, this person gets it!"

...then you can move on by asking specific questions to your situation or frustrations.

Once you're comfortable with an agent, be sure to open up and don't hold back any details. In many cases, even if they are not a fit for you, good agents will refer you the best real estate agent for your specific needs... *and this is a free service.*

REMEMBER... GOOD AGENTS PUT CLIENTS FIRST

Hopefully you'll know right away when you find the right Realtor®. Otherwise it might take some time. For some home buyers it takes some time to realize when there's not a good fit. And that's what we're trying to avoid here... not wasting each other's time.

If you're looking for a dream retirement, then your agent is your advocate to help make your dream come true. You're looking for a real estate professional that has your best interests in mind. *They shouldn't be too busy for you, because you are their business!*

Be sure to speak openly with your agent and voice your frustration and concerns. Home buying ought to be fun! However, very often there can be simple disconnect. It's not the end of the world, and a quick "airing of grievances" should fix everything. Just be sure be clear and state what you need... and if the agent doesn't respond in a manner to your liking, then it's probably time to move on.

Remember... *you're the boss...* and your agent is ultimately your employee.

But even more than just a business relationship, you should be comfortable with your agent's personality. This is also your chance to learn more about them, their professional qualifications and background, but even more details on a personal level. After all, you'll very likely be building a life-long relationship through this experience!

If you see signals that this isn't the case, or you feel like you are nothing more than just a "commission check," then you haven't found the best Realtor® yet.

CHAPTER 4 - WHAT TO EXPECT - REAL ESTATE AGENT SERVICES

Setting expectations from the start is critical to a successful partnership. You should know what's involved in a typical home buying process in San Diego, and also be aware of possible things that could pop-up along the way.

Throughout the entire home buying process there are 3 core tenets underlying an agent's many responsibilities:



WHAT GREAT AGENTS DO

Your agent should have a deep working knowledge of the local real estate market and be well versed in the psychology of home buying. This includes staying on top of price trends, neighborhood conditions and features, real estate law, zoning issues, financing, taxes, insurance and negotiating. One of their many tasks is taking stress off your shoulders and helping you manage the emotions affecting your decision making.

During your initial meetings, agents typically help you determine how realistic your wants and needs are in terms of a particular neighborhood and a home. They have their finger on the pulse of current market conditions and can tell you what to expect as you shop for a home.

They will help you know how much you can afford and also help you get the best financing. Your agent helps create or refine a strategy or plan based on your needs, your budget and the current market conditions.

They can show you available properties and discuss countless details, including a home's major selling points, floor plans, the neighborhood's crime rate and proximity to schools, shopping centers, attractions, cultural activities, local employers, medical facilities, etc.

The agent directs the entire process and is responsible for obtaining disclosures, making sure home inspections and repairs are completed and coordinating the activities of your lender, attorney, roof inspector and other professionals engaged in your purchase. If necessary, your agent will negotiate the purchase price, and will accompany you when signing the final closing documents to make sure everything goes smoothly.

The best real estate agents will also:

- Educate you about the current conditions of the market.
- Analyze and understand what you want and need in your next home.
- Guide you to homes that fit your criteria.
- Help you determine the right offering price for a home.
- Coordinate the work of other needed professionals throughout the process.
- Negotiate with the seller on your behalf.
- Check and double-check paperwork, disclosures, clauses and deadlines.
- Solve any problems that may arise

Ultimately, you should count on your agent to guide and assist you through the entire process. Before your agent finally hands you the keys to your new home, they will have helped you avoid many potential hazards and roadblocks.

BEWARE OF COMMUNICATION BREAKDOWNS

This is a classic problem, and most agents and home buyers agree on this topic. Poor communication is the #1 difficulty during the home buying process.

So you always need to be clear upfront with an agent and tell them exactly what your expectations are. And always keep them updated on any changes or developments throughout.

This also means you need to give your agent the opportunity to understand everything about you. Once they know you and who you are, they can better understand your concerns and needs, and they can do a much better job for you. Not only for finding you the right home, but this also leads to developing the best way to work together during the process.

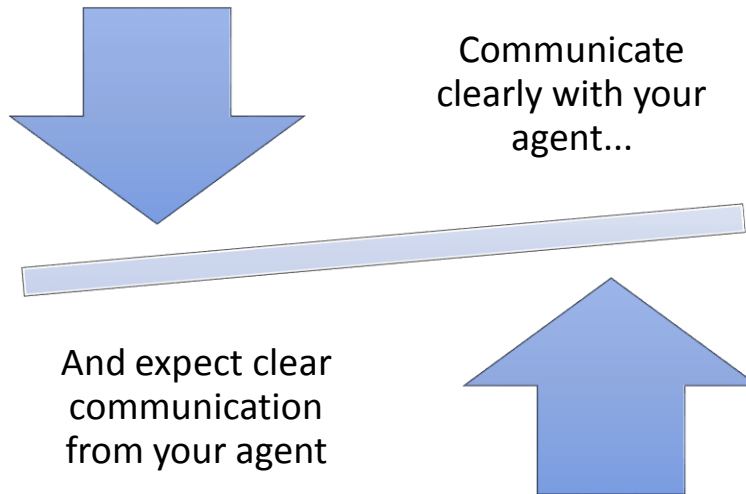
COMMUNICATION IS A TWO-WAY STREET

If you're not getting what you want from an agent... *be sure to tell them!* And after you've told them and you're still not getting what you want... *then it's time to find a new agent.*

How to Find the Best Real Estate Agent in San Diego... For You!

It's too important not to have a good relationship. Otherwise the process starts to become a waste of time and money and even missed opportunities... *like missing out on the perfect retirement home.*

Remember, some agents could be new to the business or perhaps they don't generally work with buyers in your price range. Take all this into consideration as you choose your agent.



SPECIALIZED SERVICES

You probably already understand the value of specialized advice and services. For example, if you have heart problems you should visit a cardiologist... or you would see a financial advisor for investment planning... and likewise, an estate planning attorney for estate planning.

In the U.S., a huge demographic shift is taking place with aging baby boomers, creating an incredible strain on the healthcare industry, and intensifying the need for suitable housing. This especially true for those with physical and mental challenges.

One of the main concerns and responsibilities we face as a society, is ensuring a consistent high quality of life in retirement, and the ability to pay for regular living expenses and medical costs.

For most people, future housing options lie at the heart of this challenge.

HOUSING, THE #1 BURDEN FOR OLDER ADULTS

A 2014 Harvard University study entitled: *“Housing America’s Older Adults,”* **cites housing as the number one factor influencing the overall wellbeing of seniors in the U.S.**

The 50 and over population will reach 132 million people by 2030, a 20% increase, and 1 in 5 people will be at least 65 years or older by that time.

Housing affects financial security and is the single largest expense for most households.

Accessibility in the home is a major concern for older residents and presents a huge risk in terms of safety.

The report also states:

“Households in the 50–64-year-old age range are less prepared for their retirement years than previous generations.” And it further explains...

“The existing housing stock is unprepared to meet the escalating need for affordability, accessibility, social connectivity, and supportive services.”

- ❖ High housing costs force millions of low-income older adults to sacrifice spending on other necessities including food, undermining their health and well-being.
- ❖ Much of the nation’s housing inventory lacks basic accessibility features, preventing older adults with disabilities from living safely and comfortably in their homes.
- ❖ The nation’s transportation and pedestrian infrastructure is generally ill-suited to those who cannot or choose not to drive, isolating older adults from friends and family.
- ❖ Disconnects between housing programs and the health care system put many older adults with disabilities or long-term care needs at risk of premature institutionalization.

Local governments and communities are responding...

Changes to regulations and building codes to address the problem and expand suitable housing options, include:

- Encouraging the production of more diverse and flexible housing, including mixed-use developments with housing located near services and amenities
- Allowing construction of smaller units, such as accessory dwelling units, for those looking to downsize, reduce housing costs, or have a live-in caregiver;
- Developing housing fit for intergenerational living and flexible enough to meet changing household needs.
- Promoting construction of more rental housing in suburban locations, to add more housing options for older adults who prefer to remain in their current communities
- Offering tax breaks and incentives to reduce housing costs and allow older households to modify and maintain their homes to accommodate disabilities.
- Promoting alternatives to automobile travel and enhancing pedestrian safety.
- Improving residential care options and revising the model of assisted living and nursing homes, including continuing care retirement communities.
- Engaging older adults in the community and including active and creative new volunteer programs based around their time, energy, experience and desire to contribute to the community.

And for seniors nearing retirement, or with specific healthcare needs, a *Seniors Real Estate Specialist* is aware of these needs and has unique qualifications for helping find the most appropriate housing options and completing the real estate transaction.

SENIOR REAL ESTATE SPECIALIST (SRES®)

At this stage in life the home buying process may seem especially overwhelming. Not only because of the many complicated details and requirements, but the many deep rooted emotions, family relationships and history also bring additional stress.

When you find a Realtor® who specializes in helping seniors with home sales and purchases, you'll notice quickly a big difference from other agents. The **SRES®** designation is given to Realtors® who have completed educational courses and training focused on helping seniors *and their families* with buying and selling a home.

A PRIORITY ON GETTING TO KNOW YOU

You likely notice it in their personality, most **SRES®** agents genuinely enjoy working with seniors. **SRES®** agents have a deep respect for seniors and their families. *Not only do they ask the right questions, but they are excellent listeners too.* They understand your stress and will devote all the time necessary to fully understand your situation. Putting a priority on getting to know you, your family situation and all the factors weighing on your decision is one of main differences you'll see in an **SRES®** certified agent.

How to Find the Best Real Estate Agent in San Diego... For You!

An **SRES**® agent customizes the entire process to you. This means presenting information so you can absorb it at your own pace... and allowing you to take the time to feel comfortable with each step and decision throughout. In addition, you can expect an **SRES**® agent to...

- Have knowledge, experience and genuine concern in dealing with your issues.
- Always keep your best interests in mind.
- Suggest multiple housing alternatives, including ones that may allow aging or sick people to remain in the home instead of selling it.
- Never force or pressure any recommendation.
- Have a strong service orientation.
- Make you feel comfortable with the complicated process and take the necessary time to explain every detail.
- Understand and help reduce your emotional burdens, knowing very well how emotions can influence a sale or purchase... preventing you from making the best, logical decision.
- Interact easily with all family members, including seniors, adult children and caretakers.
- Be knowledgeable about local senior housing options and elder support services.
- Work with a wide network of other senior-focused professionals who can help with tax advice, financial and estate planning, and other aspects of the sale and move.

LOCAL REAL ESTATE AGENTS... WHO KNOW SAN DIEGO

They know the neighborhoods, the streets, the local businesses, services and attractions. They know your future neighbors by name... and have even helped a few of them buy their homes too. Need recommendations for a doctor, lawyer, car dealer, hair stylist, pet groomer or just a good Asian restaurant? *They've got you covered there too.*

They'll also know all the laws, community ordinances and the local culture of the areas you're evaluating. With just a few details and a quick glance at a home, your agent can start telling you about potential problems, maintenance or repairs. And they can quickly provide a full list of pros and cons of the type housing or community you're considering.

This type of knowledge is not just a lucky coincidence, but this is what makes the difference from just any agent and *the best real estate agent for you!*

ADVICE & EXPERTISE IN SAN DIEGO RETIREMENT COMMUNITIES

No doubt you have a lot to consider in this major life change. As you interview local Realtors®, look for only proven real estate agents with specialized expertise.

How to Find the Best Real Estate Agent in San Diego... For You!

There are many desirable, active senior communities in San Diego. These are affordable homes with a full range of amenities and make for the best places to retire. And if you're interested in a designated retirement community, then you should work directly with real estate experts in the 55 + San Diego retirement communities... *real estate agents with proven track records of placing other satisfied buyers in the specific neighborhoods and retirement communities that interest you.*

They will help you develop a clear expectation and understanding of what your new life will look like in a retirement community. Your agent needs to help you understand all the particular details and requirements of these kinds of properties. Things like...

- Investigating the financial records of the homeowner associations
- Explaining the approval process and requirements for new residents
- Researching and clarifying community restrictions and rules
- Exploring the community club membership options and costs
- Taking a deeper look at the activities and event calendars
- Clarifying services provided – details for caretakers, maintenance, repairs, security services, etc.
- Showing you the local area and proximity to medical care, shopping, entertainment, etc.

SIGNING A BUYER'S AGENCY AGREEMENT

A buyer's agent solely represents the buyer in purchasing a home. They work exclusively for you and have no obligation to the seller, *nor do they represent the seller*. The buyer's agent usually receives a commission from the seller when you work with them purchase a home.

But despite this, the buyer's agent has a **fiduciary duty** only to the home buyer. This includes...

- A legal obligation to always to act in your best interest and help you determine if purchasing the home at the agreed-price is in your best interest.
- Reviewing all disclosures, reports, inspections, and other documents and to make sense of everything.
- Helping you get the lowest price possible and best terms on the home.

COMMISSIONS ARE NEGOTIABLE

Even though a buyer's agent has fiduciary duty to the buyer, the commission the buyer's agent receives is paid by the seller. However, the amount of the commission is set by the seller when they list the property, and the same rate will apply to *any* buyer's agent who helps a buyer purchase that property. Therefore, there is no negotiation between a buyer's agent and the seller for the commission paid.

However, the California Bureau of Real Estate and California Law mandates that all agents must inform clients that real estate commissions are negotiable and consumers must know this upfront.



**COMMISSIONS ARE
NEGOTIABLE...
ASK YOUR AGENT!**

For example, a seller lists a home for sale at \$300,000 and decides to pay a 6% commission on the sale. The commission stands to be \$18,000. If no buyer's agent is involved in the transaction, then the listing agent (seller's agent) stands to pocket the entire \$18,000. However, if a buyer's agent is working with you on the deal, they will split the commission in half with the listing agent (3% or maybe 2.5%). That means your buyer's agent will earn \$9,000 on the purchase.

Out of this \$9,000, the agent could offer you two options:

1. REBATE ON THE COMMISSION

A rebate that you can apply to the cost of the home. You can negotiate a reasonable figure to be returned to you, from this \$9,000 commission.

2. REDUCED COMMISSION

Or you can try to negotiate a cut to their commission received from the seller. By reducing the commission on their side of the deal, *this would allow the seller to lower the offering price on the home by the amount of the reduction*.

But keep in mind, many agents who work for a *brokerage firm* will have to split a portion of their fee with their brokerage, maybe even 50% or more. So in the above example, your agent earns somewhere around \$4,500 before any rebates or commission cuts.

And they will still have to split their earnings with their brokerage firm, which could make it difficult for an agent to offer a significant rebate or discount and still receive a reasonable payout for their time and services.

A BUYER'S AGENCY AGREEMENT

You will likely sign a "Buyer Agency Agreement" when you decide to work with a buyer's agent. It includes all the terms and specifies things like the duration of the agreement, the commission to be paid, and the various rights, duties and obligations of the parties. *Without this agreement in place, the agent has no fiduciary duties to the buyer.*

Once you're comfortable with an agent, you sign and enter into an exclusive buyer representation agreement. *This means you agree to let one, and only one agent represent and guide you through the buying process.* The following are the major points of a Buyer's Agency Agreement to be aware of:

OBLIGATION TO CONTINUE WORKING WITH AN AGENT

By signing a buyer's agency agreement, you are agreeing to work only with 1 agent during the home buying process. *Agents use these agreements to protect themselves and to ensure they are compensated for their work.* Sometimes, home buyers work with one agent and then switch to another agent just before purchasing a home. After working with this home buyer for a significant time (even several months), agents want to make sure they are paid for their services, even if they don't close the sale.

Some agreements lock in buyers for up to 6 months, or even 1 year. But on the other hand, some agents won't require an agreement until you've made a first offer on a home.

If you sign a buyer's agency agreement, you can add the following points:

- ❖ **Make the Term Short** – make sure the agreement only covers a shorter time frame, so that you are able to choose a new agent if things aren't working out.
- ❖ **Ask for a Trial Period** – work together for a short period without signing an agreement. Be clear how long this will last and get a good feel that things are moving in the right direction before signing.
- ❖ **Have an Escape Clause** – make sure there is a way for you, or the agent, to terminate the agreement if either of you are unhappy with the arrangement.
- ❖ **Put all Changes in Writing and Sign**

RECOGNIZING CONFLICTS OF INTERESTS

There are several factors to be aware of that can work against your best interests as a buyer.

DUAL AGENCY

Dual Agency is when the same agent represents both the buyer and the seller in a real estate transaction. In this situation an agent stands to earn a double commission on the deal, or in other words, *they receive the full commission instead of splitting it with the buyer's agent.*

Naturally, a conflict of interest exists here, as the same agent cannot negotiate the best terms and price for both parties. Nor can they devote their full attention to your best interests in this situation. This is legal in California, but law requires disclosures to be made to all home buyers.

CONFLICTS OF INTERESTS REGARDING COMMISSIONS

Always be direct... ask the agent how much they stand to make on each home that you are interested in.

Remember, it is actually the seller who pays the buyer's agent's commission out of the money you paid to purchase the home. Even though the seller pays a commission the buyer's agent, the buyer's agent has a fiduciary responsibility only to you, the home buyer.

In some cases, sellers will offer higher commissions to the buyer's agent to sell their home quickly. This poses another potential conflict of interest... if a buyer's agent pushes a particular property that offers them higher compensation. *Clarify these details upfront and understand how much the agent stands to make on any potential purchase you make.*

YOU HAVE THE RIGHT TO WORK WITH AN EXCLUSIVE BUYER AGENT

An exclusive buyer agency or brokerage is a real estate company that specializes in representing only buyers. These brokerages have only EBA's (*Exclusive Buyer's Agents*). *An EBA doesn't accept fees for selling real estate.* They don't ever handle listings or work with sellers. Instead, they earn their commission when you purchase a home. Their goal is always to get you the best price and terms on your purchase.

MAIN SUMMARY POINTS

- You should only work with a buyer's agent in buying a home.
- You can rely on the agent's loyalty, confidentiality and skilled expertise.
- Great agents do everything possible to navigate the web of financial, legal and emotional issues that come with buying or selling a home.
- They need to fully know you and understand your situation.

How to Find the Best Real Estate Agent in San Diego... For You!

- An agent's goal is to make the process go smoothly to arrive at the best possible outcome for you.
- Ask as many questions as possible until you're comfortable with every detail. If you're unsure of anything, you can go back at anytime and review anything you don't fully understand.
- You can always count on agent's patience, respect and understanding.

CHAPTER 5 – THE SAN DIEGO REAL ESTATE MARKET – A RETIREMENT PARADISE

The homeownership opportunities for retirees in San Diego are amazing... almost too many to count!

This chapter serves as a preview of San Diego retirement communities. With this and your own research, you should come up with plenty of appealing options... and questions... to present to your agent. From here, your agent will be the key to helping you validate and confirm your research... narrow down the candidate pool... and even open your eyes to more possibilities.

We'll start off with an overview of the locations and the types of homes, features, amenities and the lifestyle they offer.

NORTH COUNTY SAN DIEGO

Being the 2nd largest area of metropolitan San Diego, it is the wealthiest area and *also has the most affordable retirement communities and most desirable living conditions.*

It is a very diverse terrain, stretching all the way from the coastal shorelines to the rocky peaks, valleys and desert areas to the east. The entire region is dotted with natural reserve parks, vineyards, 40 golf courses, and of course... 30 miles of beaches. It includes many amusement and recreational attractions, educational institutions, equestrian centers, casino resorts, countless restaurants and the downtown and rest of the San Diego coastline is only a 30 to 45-minute drive.

Coastal cities like Carlsbad, Oceanside, Vista, Encinitas, Del Mar, and Solana Beach are classic California beach cities *that all enjoy a Mediterranean climate, averaging 263 sunny days per year.*

Inland cities like Escondido, Fallbrook, San Marcos, Poway, Valley Center, Ramona, Rancho Bernardo, and San Diego Country Estates have the best of both worlds, with more wide-open spaces and room to roam,

No matter where you choose to live, you can find affordable homes in numerous communities with different styles of homes.

RETIREMENT COMMUNITIES – 55 + SENIOR LIVING COMMUNITIES

These are *age-restricted communities*, reserved for couples, where at least one spouse or partner is at least 55 years of age. Some will make exceptions and allow for a spouse, partner or caretaker of 45 years of age, or sometimes even younger.

You'll find diverse types of 55+ communities. However, many consist of **Manufactured Homes** (homes which are prefabricated and assembled in factories before being transported to home sites). They are at least 320 square feet and much larger, with a permanent chassis to assure transportability of the home.

The major requirement is having a wheeled chassis permanently attached. This is the main distinction from manufactured homes and *modular homes*. Before 1976, manufactured homes were called "mobile

homes” and were not subject to federal building regulations. Hence you will see some communities advertised as either *Manufactured Home* or *Mobile Home communities*.

Many have 2 bedrooms, 2 bathrooms, 1 or 2 car garage spaces and anywhere from 1,000 to 1,500 sq. feet of living space. In San Diego, the majority of 55+ communities were built in the 70’s and 80’s, and there are several newer communities. All of them are very well kept and regularly undergo restorations and various improvements.

These communities are designed for active seniors who enjoy socializing and participating in various sponsored events and activities. In general, many of these communities have gated entrances with amenities and features such as:

- Community clubhouses with recreation and meeting rooms
- Swimming Pools
- Spas, hot tubs and saunas
- BBQ facilities and community kitchens
- Laundry facilities
- Library and Computer room
- RV/boat parking
- Tennis Courts
- Regularly scheduled monthly activities

Some of these communities are built alongside golf courses and offer preferred access to tee-times, discounts and even free golf for residents.

Most have pet restrictions of some kind, limited to 1 pet and have other limits on sizes and certain breeds.

OWNERSHIP STRUCTURE

55+ retirement communities can have a few different kinds of ownership structures.

LAND OWNERSHIP

One of the most popular is called “land ownership.” This simply means that you own your home and the land that it sits on.

With this type of ownership there are HOA (Homeowners Association) fees that cover costs associated with the managing and upkeep of the community. As an example, a monthly HOA Fee for a typical “land owned” community could cover basic cable, water, trash, sewer, landscaping, gated entry feature and the clubhouse and pool facilities.

Typical price ranges can be any where from \$70K to \$300K, but this depends greatly on the lot sizes and locations, proximity to the coast, the amenities offered and the construction date of the home and the community.

LAND LEASE

Other manufactured home or mobile communities are “land lease” or have a “space rent.” In a “land lease community” the home is owned by the buyer and the space is rented or leased.

The atmosphere, amenities and features are pretty much the same as with land owned 55+ communities. *However, the home prices will be much lower and can range anywhere from \$30K to the mid \$100K's or more.*

In San Diego 55+ land lease communities, the HOA fees are typically very low, and some are even zero. *However, the space rent can be anywhere from \$500 - \$800 per month on average, and this will cover the costs of any community facilities - clubhouse, laundry, pool and spa/hot tub and RV/boat parking, etc.*

CO-OP PARKS

Similar to land owned 55+ communities, the only difference here is that the entire community or “park” is completely owned by the residents. Each owns their own home, the land, and a percentage of the entire community/park. HOA fees are due for your portion of the upkeep and the general management.

And again, in many cases the Co-ops offer the same active style community with full amenities and activities.

CONDOMINIUMS

San Diego 55+ senior living communities also have diverse condo style homes or even detached homes with a *condominium style of ownership*.

TRADITIONAL CONDOS

Large apartments with either 1 or 2 floors, attached to other units within a large structure or building.

The ownership structure to a condo is unique. Residents own the unit itself and its interior. *But they own only a small interest in the common areas* – the community and its amenities. This may vary but usually includes some exterior elements like: walls, roof, floors, ceilings, windows, doors, outdoor fixtures and common systems like plumbing, electric, a/c units, etc. Other common areas like decks, balconies, patios are usually considered to be part of the unit.

The Home Owners Association (HOA) or condominium association retains the majority ownership of the exterior, the land and common areas. The HOA board is often made up of elected residents and the HOA handles the maintenance of all exterior areas.

As a result, condominium HOA fees are typically higher for the maintenance vs. the HOA fees of manufactured home communities (including land owned, land lease and co-op parks).

DETACHED HOMES

1 or 2 level homes that do not share a wall with a neighboring unit, detached homes have private lots and a driveway, garage or additional parking space. With anywhere from 1 – 3 bedrooms and baths with 800 to 2,800 sq. feet of living space, *detached homes in San Diego 55+ communities have a higher price range, averaging in the mid \$100K's to \$600K or more.*

Additionally, detached homes may feature a condominium style of homeownership, with limited ownership of the exterior portions of the home and higher HOA fees for maintenance and community amenities. A typical range may be anywhere from \$200 - \$300 per month.

ATTACHED HOMES

There are many San Diego retirement communities consisting of 1 or 2 level “attached homes.” These are buildings comprised of two or more attached housing units on two or more distinct properties, with each sharing a common wall.

“Twin Homes” are an example of an attached home. And these properties can also be referred to as a “duplex homes” or even called “semi-detached”.

TOWNHOMES

Townhomes are an example of full-sized, individual homes, placed side-by-side. These also can share one or two walls with neighboring homes. *They are usually the largest sized attached home and the costliest.* These are found in gated communities and are usually built on tree-lined streets, with amenities like pools, hot tubs and secure parking. Compared to a condo, they usually have more living space and a private patio. And in general, most attached homes a yard and include a private driveway and garage.

With townhomes and other attached homes, the Home Owner Association fees (HOA) include the maintenance for the common areas, trash pick-up, landscaping and insurance. But a big difference with the land ownership feature of townhomes and any attached or detached home community is that you own the land and the exterior areas... which means you are responsible for the yard, deck, patio, driveway, roof and trim and possibly even more.

While a condo typically has less privacy and can be on any floor of a building or complex, townhomes always start on the ground floor, usually have multiple levels and greater privacy. Also, townhomes are usually larger than condos in terms of living space and have a lower monthly HOA fee.

North County San Diego also has many golf and country club communities consisting of attached homes. These are golf course homes with a land ownership structure, both in 55+ senior living communities and non-age restricted communities.

SINGLE STORY HOMES

These are often the most appropriate homes for retirement living and built to meet the needs of seniors.

As a general rule, most 55+ retirement communities in San Diego are single-story homes. Many seniors prefer single story to 2-story homes for various reasons:

- No stairs - most seniors just aren't interested in dealing with stairs which can pose potential hazards for themselves and even young grandchildren.
- Multi-level homes can have too much space to maintain in terms of costs and time, unnecessary living space which is harder to clean (windows, painting, and decorations for holidays).
- Heat rises in a 2 level home so the upstairs bedrooms can be too warm for sleeping at night.

These tend to be in high-demand and are not always on the market. It's a good idea to keep an eye the availability of single story homes in the areas you're interested and make these a priority. You can ask your real estate agent to sign you up for email alerts or notify you when these properties become available.

There are also many single level homes in *non-55 + communities*...

NON-AGE RESTRICTED COMMUNITIES

Looking outside of the designated senior communities also presents a wider range of housing options. This includes communities consisting of the following:

- Apartments
- Condos
- Townhouses
- Single-story homes
- Attached and detached homes (1 or 2 levels)

These are not always geared to the specific needs of seniors, but most offer many amenities, activities, services and conveniences that you would find in a senior living community.

NON-MANUFACTURED HOMES

STICK-BUILT HOMES

A phrase used to describe wooden houses built directly on the home site or lot rather than in a factory or facility. This is in contrast with manufactured or mobile homes or modular homes which are assembled in a factory and transported to the home site.

Stick built homes use traditional building methods, with lumber drywall and roofing shingles. The word "stick" refers to the framework of the walls and roof and is usually a more expensive and time-consuming approach vs. modular constructed homes.

MODULAR HOMES

A home built "off-site" with construction consisting of multiple sections called *modules*. A module is six sided box constructed in a factory which is later delivered to the home site. Each module is set onto the building's foundation using a crane. The various modules are combined to make a single structure. The modules make for flexibility in creating various formations and styles of layouts. They can be placed side-by-side, end-to-end, or assembled on top of each other.

A major difference from modular homes and mobile homes or manufactured homes is that they do not have axles or a frame. They are transported to the home site via flat-bed trucks. Also, modular buildings must conform to local building codes for their proposed use, while manufactured homes, are subject US federal codes governed by HUD (Department of Housing and Urban Development).

CUSTOM HOMES

A custom-built home involves the collaboration of architects, builders, and home buyers themselves. They usually require higher costs to complete the desired goal. Specific interior and exterior finishes are considered to create a unique theme for the home. The design is usually planned around buyer's lifestyle, aimed at capturing views and lighting or enhancing privacy.

A custom-built home always has the greatest diversity vs. manufactured homes and production homes (tract homes). If it is part of a developed community, there can be monthly HOA fees, covering common area maintenance, the gated community feature and other amenities.

SEMI-CUSTOM HOMES

Usually built by smaller home builders who may *or may not* use the same architectural plans for each unit. These homes include some level of customization like resizing, adding or deleting rooms or even using a diverse selection of interior and exterior finishes. For example, you might see different cabinet styles from other homes built by the same home builder.

Therefore, semi-custom homes usually have a greater diversity of style and home finishings. Hence many semi-custom homes may be costlier than regular production homes, since the builder doesn't get volume discounts by using the same materials and finishings on each home within the housing development.

TRACT HOMES

These are large housing developments on tracts of subdivided land where many similar homes are built on individual lots. Although the homes are similar, they can have variations in size, style, floor plans, roofing, materials and garage size.

Tract homes are mass produced which lets the builder offer lower prices. These are often a great value in terms of price compared to custom built homes... for the size, number of features, community amenities, convenience and location.

However, saving money on the production costs is key. The quality of elements and materials are usually not the primary concern, and therefore they tend to wear down quicker. Cabinets, hardware, appliances, framing components, paint grades, shingle weight and carpet grade are often not the highest quality (unlike with custom-built homes).

PRODUCTION HOMES

These are homes built by large homebuilders that re-use the same building plans over and over. These are usually stick-built homes and they include tract homes and semi-custom homes.

Home builders can offer a choice of pre-determined packages of finishings and various additional features or upgrades. This might include a limited choice of cabinet, countertop, or carpet styles and colors. This approach lets builders keep costs down and offer a more affordable price.

NORTH COUNTY CITIES AND NEIGHBORHOODS

CARLSBAD

A very popular seaside city in North County San Diego, Carlsbad is well known for its beautiful beaches, great climate and as a great place for families. With many attractions and major employers based here too, there's a lot going on in Carlsbad. There are 3 hospitals in the immediate area and 18 hospitals within 30 miles of Carlsbad.

You'll find a wide variety of both senior communities and non-age restricted communities, including:

- 55+ Gated Communities with detached, manufactured, single story homes with land ownership
- 55+ Golf Course communities with detached, manufactured, single story homes with land ownership
- 55+ Gated Communities with mobile homes and land lease (monthly space rent)
- Non-age restricted communities of single-story and two-story homes (tract built and custom-built homes)

ENCINITAS

A smaller beach community with a very tranquil look and feel, Encinitas residents are easy going people who appreciate the ideal location and high quality of life. A beautiful downtown and surrounding area, great beaches, restaurants, many lively activities and convenient highway access make it a highly desirable place to live.

The Scripps Memorial General Hospital is located here and with several other facilities within short distance (and 25 hospitals total within 25 miles).

Encinitas has several active adult communities and non-age restricted communities, including:

- 55+ Golf Course communities with attached, single story and 2-story condos with land ownership
- 55+ Gated Communities with detached, manufactured, single story homes with land ownership
- 55+ Gated Communities with manufactured homes and land lease (monthly space rent)
- Non-age restricted communities of detached single-story and two-story homes (tract built and custom-built homes)
- Non-age restricted, gated Townhome communities
- Non-age restricted, golf course communities with detached homes
- Non-age restricted, gated communities with guest homes (attached or detached)

OCEANSIDE

With its relaxed vibe, beautiful beaches and weather and large and diverse mix of residents, Oceanside is a classic California beach town. Being the 3rd largest city in San Diego County, there are a huge array of activities, events and attractions, along with a lower cost of living vs. other coastal communities in North County. You can also find many wonderful ocean, mountain, canyon and golf course views.

The Tri-City Medical Center is based here and 9 other hospitals are within 26 miles.

As for living options, Oceanside has no shortage of affordable retirement and non-age based housing:

- 55+ Golf Course communities with attached and detached single story and 2-story condos with land ownership
- 55+ Communities with attached and detached homes with land ownership
- 55+ Gated communities with manufactured homes with land ownership
- 55+ Gated communities with attached homes with land ownership and condominiums
- 55+ Gated Communities with mobile homes and land lease (monthly space rent)

FALLBROOK

As an inland-community, Fallbrook lies in an elevated, rural location about 30 minutes from the coast and 45 minutes to downtown San Diego. Unlike the coastal cities, there are plenty of wide-open spaces, lush green hills and valleys, and particularly great conditions for growing fruits and vegetables.

Fallbrook is a pleasant place to live, where you'll find the tight-knit community of 30,000 residents very friendly and laid back. There is also a very strong focus on outdoor activities and the arts, with many diverse performances and events all year round.

The Fallbrook Hospital is a general surgical and medical center located right in town and 2 other major medical facilities are nearby (and 7 hospitals within 20 miles).

Fallbrook has numerous housing options, ideal for retirement living, in both 55+ and non-age restricted communities:

- 55+ Gated communities with attached and detached homes, single story homes with land ownership
- 55+ Communities with mobile homes and Co-op land ownership
- 55+ Golf Course communities with manufactured homes with land ownership
- Non-age restricted Golf Course communities with attached homes detached with land ownership and condominiums
- 55+ Communities with mobile homes and land lease (monthly space rent)

ESCONDIDO

Centrally located, Escondido is about 18 miles to the beaches. The terrain is more mountainous and desert-like compared to the coastal cities, however it is a fertile area where fruits and vegetables thrive.

Temperatures are also warmer and dryer, especially in summer, however the winters are comfortable and pleasant. Located in a valley, the city has a larger population of roughly 150,000, and you'll find plenty to do and see. The charming downtown has a historic feel and the city's numerous attractions and entertainment choices make this a very vibrant place to live.

The Palomar Medical Center is located here and an additional 18 hospitals are within 25 miles of Escondido.

And there are *many* affordable retirement and non-age restricted communities located in Escondido worth considering:

- 55+ Golf Course communities with manufactured homes with land ownership
- 55+ Gated communities with manufactured homes with land ownership
- 55+ Communities with mobile homes and Co-op land ownership
- 55+ Communities with mobile homes and land lease (monthly space rent)
- Non-age restricted, open communities of attached, detached homes and condominiums

RANCHO BERNARDO

Another inland community of rolling hills and canyons, the scenic views and rural feel make this a peaceful place to live. Rancho Bernardo is officially part of the city of San Diego and located about 20 miles northeast of downtown and a 30-minute drive to the beaches. Typical of most inland locations, the temperatures here are warmer in both the summer and winter vs. the coastal cities.

Easy freeway access makes it a quick drive to any destination in San Diego county. Pomerado Hospital is less than 3 miles away and every other major medical facility in San Diego is within 22 miles. Many major employers are based here too, and you'll find many shopping centers, restaurants, local events and outdoor activities.

Rancho Bernardo was designed as a master planned community with 7 distinct communities, parks and private community centers spread across 6,500 acres of land. There are a wide range of housing styles in both retirement communities and non-age restricted communities:

- 55+ Gated, Golf Course communities with manufactured homes with land ownership and condominiums
- 55+ Gated communities with attached and detached homes with land ownership
- Non-age restricted, open communities of detached homes, condominiums and apartments

SAN MARCOS

San Marcos is a suburban community of roughly 80,000 residents. Located inland but not far from the coast, the weather is a comfortable balance of warm temperatures and nice, cool breezes.

San Marcos is a desirable community, known for its lake resort area, 3 universities, many dining options, wide-open spaces, parks, scenic landscape and nice views. The area is highly active and there are many community events with cultural and outdoor activities. There is quick highway access making any destination in San Diego easily accessible. The Palomar Medical Center in Escondido is 4 miles away and 16 hospitals are within 25 miles.

There is a wide variety of choices of living options in both retirement communities and non-age restricted communities:

- 55+ Gated, Luxury condominiums with assisted living
- 55+ Communities with single-story detached homes with land ownership

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- 55+ Gated communities with manufactured homes with land ownership
- 55+ Co-op communities with manufactured homes with land ownership
- 55+ Communities with mobile homes and land lease (monthly space rent)
- Non-age restricted, open communities of detached homes, condominiums and apartments

VISTA

Vista is a hillside city of roughly 100,000 residents only 7 miles from the coast. Its Mediterranean climate is only slightly warmer than the coastal cities. It's a very lively community and a very affordable place to live.

The downtown's entertainment district is home to many festivals, events as well as restaurants, nightlife and music. Many arts and cultural events take place here and there are plenty of museums, parks and recreation activities.

There is a convenient public transit options with bus and light rail lines serving Vista and the surrounding cities. The Tri-City Medical center is 3 miles away and there are 10 hospitals within 24 miles.

Vista's housing options are plentiful, and you'll have both non-age restricted and designated retirement communities to choose from:

- Non-age restricted, gated communities of custom-built and tract homes, including large estate homes
- 55+ Communities with manufactured homes with land ownership
- 55+ Communities with mobile homes and land lease (monthly space rent)

DEL SUR

This is a brand new community in San Diego designed to create a small, tight-knit, peaceful setting. There are 8 diverse neighborhoods, each with their own community center for local events and activities and 13 parks. The idea of this community is to create a relaxed atmosphere where you have everything you need right in your own neighborhood. This includes... opportunities for entertainment, socializing and building strong ties with your neighbors.

Del Sur's hillside-setting is central to North County, in the midst of a pristine environment with many scenic views. It also has easy highway access, making it easy to get anywhere in San Diego quickly. Many major corporations are based nearby, bringing an even greater diversity to the area in terms of people, services and entertainment options. 32 golf courses are within 10 miles of Del Sur and the Pomerado Hospital and Palomar Medical Center are only 5 miles away.

There is a high demand for senior housing in Del Sur. Because there haven't been any recently constructed retirement communities in San Diego, this development has been highly anticipated.

The "Auberge at Del Sur" development will include the following:

- 3 age restricted, 55+ neighborhoods
- Attached homes

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- Detached homes
- Single-story homes
- Limited selection of 2 level homes



CALIFORNIA PROPERTY TAXES

As a major source of state revenue, California's property taxes stay at the local level and fund the budget of most local governments.

As residents, a California Property Tax bill will include different taxes and charges based on your situation. Here are some of the most common:

THE 1 PERCENT RATE

Established by Proposition 13 in 1978, it was designed to limit property taxes and limit the increases in the assessment of property values. This bill was a great help to older homeowners, preventing them from being "priced-out" of their homes due to excessive property taxes.

It imposes an annual 1% tax on the assessed value of all "real" property... including:

- Owner-occupied residential properties in which homeowners receive an exemption of \$7,000 from the assessed value of their primary residence each year.
- Investment and vacation residential properties other than those used as a primary residence, including multifamily apartments, rental condominiums, rental homes, vacant residential land, and vacation homes.
- Commercial retail properties, industrial plants, farms, and other income-producing properties.

This system uses an "ad-valorem" method where the county government assigns an assessed value equal to the purchase price, or what's called the "acquisition value." *Each year onward, the property's assessed value increases by 2 percent or the rate of inflation, whichever is lower.* The process continues until the property is eventually sold. At that point, the county assessor assigns it a new assessed value equaling its recent purchase price.

Assessed values can also be reduced when market values fall sharply in times of market declines or when property damage occurs. Otherwise, a property would be taxed at a higher value than its actual worth. In such cases, the county assessor will reduce the property to its current market value.

Under Prop 13...

A 1% tax is levied on a property's assessed value, which will always be reestablished to market value when it is sold... based on what the buyer actually pays for it. Otherwise, the assessed value of the property steadily increases by a maximum of 2 % per year.

There are 2 additional propositions that are a particular benefit to senior homebuyers.

Proposition 60 – passed in 1986, allows homeowners over the ages of 55 to transfer their existing assessed value of their current home to a new home. However, the new home must be of equal or lesser market value, and within the same county.

Proposition 90 – passed in 1988, this bill simply extended the same allowance for homeowners as Prop 60... to transfer their existing assessed value to a new home with the same or lesser value, *but this includes homes located in different counties that also participate in Prop 60 and Prop 90.*

Both Prop 60 & Prop 90 allow senior homebuyers to continue at their existing home's assessed value, potentially offering huge savings on annual property taxes.

For other property taxes, the same method for assessing the value of a home or “real” property is also used and is the key to determining the property tax bill. However, different tax rates are used. This includes:

LOCAL VOTER-APPROVED DEBT

Mostly used to fund local infrastructure projects, including the construction and rehabilitation of schools, most local governments need to obtain 2/3 of local voter approval to issue general obligation bonds.

Typically, property owners are subject to several voter-approved debt rates on their property tax bills. This is because local voters have approved bond funds for projects like the city and water, school, and community college districts where their property is located.

The rates are usually a very small percentage of assessed property value. And for example, the average property tax bill for voter-approved debt rates totals about one-tenth of 1 percent of assessed value (or 0.1%).

Other *non-ad valorem* taxes exist, where the taxes and charges are based on factors other than the assessed value of the property. Some are based on a cost of a service performed on the property and others are based on the size of a parcel of land, square footages, number of rooms and other characteristics.

The 3 most common are:

ASSESSMENTS

Local governments impose assessments in order to fund improvements that provide a direct benefit to the property owner, and not for general public benefits. An example would be construction and operation of street lighting in a particular neighborhood.

The local government needs to have a majority approval of the affected property owners... and each property owner’s vote is weighted equally in proportion to the amount that they would pay for the proposed improvements.

PARCEL TAXES

Parcel tax rates are set by local governments based on fixed amounts of parcels of land, or per room or even per sq. foot per parcel. The proceeds of these taxes can only be used on public programs, services or projects, even those which do not directly benefit the parcel of land. Two-thirds approval of all voters is required.

MELLO-ROOS TAXES

These are taxes collected in specific geographical area determined by local official and often in new communities. These are a flexible source of revenue that can be used to fund infrastructure projects or services, and they can be levied in proportion to the benefit a property receives in 2 ways:

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- Equally across all parcels receiving the benefit
- Proportionally by square footage of the property

Generally, these taxes fund commercial and residential development. And after the land is developed and sold, the new owners are responsible for the tax which is then used to fund schools, libraries, police and fire stations, or other necessary public facilities and services in the new community

These taxes are subject to two-thirds voter approval when 12 or more voters reside in the specified area.

CHAPTER 6 – HOW TO CHOOSE YOUR RETIREMENT HOME

If you haven't already developed a strategy for browsing homes in San Diego, your agent will help you come up with the right approach. Your agent will also help you fine-tune your search and the method you use to evaluate potential homes. *And of course, they will do much of the work for you, based on the criteria you give them and their understanding of your situation, needs, and personality.*

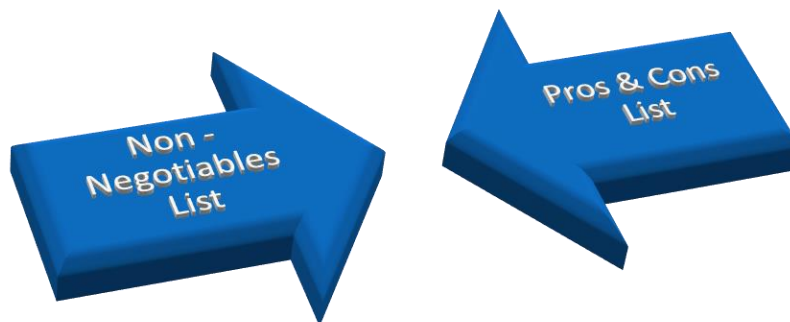
In this chapter we'll make some recommendations for choosing a home and community/neighborhood - what steps to take, the tools and techniques to use, and what specifics to look for, etc.



NON-NEGOTIABLES LIST

We strongly encourage you to prepare a list of items for your retirement home that you consider to be *non-negotiable*. These are the features that the property *must have* for you to call it home. Ideally you should make the list before you begin your home search. This way, you'll have more clarity on what your dream home looks like. And you'll have the knowledge of which things are most important... *the things you're not willing to compromise on.*

Once you find a good candidate home, **write a list of pros and cons** for that home and compare this list to your list of "non-negotiables." This is a great visual exercise to see which items, if any, might be on your non-negotiable list. *If any of the "cons" of a potential home happens to be on the non-negotiable list, then move on to the next home and keep searching.*



If none of your non-negotiable items appears on the con's list, you might just have found your next home!

If the list includes items that are already upgraded, this should be in the “pros” column.

Or if a home has items *that need to be upgraded* it should go in the “cons” column.

Either way, pro or con, **attach dollar amounts to both lists of items**. If an item was already upgraded, consider this as money that you will not have to spend. But if it still needs to be upgraded, this is money that will come out of your pocket. *Both of these items will likely factor in your calculations when it comes time to make an offer on the property.*

Many buyers find that the *pros* list far outweighs the list of cons. However, this is completely a personal decision for you. But this method will definitely give you more clarity and make it easier to choose your next home.

And remember to share the non-negotiable list with your agent. As an agent who specializes in the area it's very likely they have already seen, or will preview the home that you are investigating. By sharing your non-negotiable list, they will likely be able to save you time, and be able to tell you in advance whether a potential home is a good fit or not.

IDEAS FOR YOUR “NON-NEGOTIABLES” LIST

Again, these are the “must-haves” in the home and also in the community.

Consider the size of the home:

- How much living space?
- 1 level or 2 levels?
- How many rooms, bathrooms, closets, etc?
- Garage and parking space?
- Pool or patio?

What kind of neighborhood do you want?

- Think of the proximity to amenities, services, shopping, entertainment and medical facilities
- A well maintained and pleasant appearance
- Safety concerns
- Schools or nearby parks
- Price appreciation potential

MAKE A LIST OF PROS & CONS

Get in the habit of making this list for each home you view. Keep track of all the details like:

- Price, community rules and restrictions, locations and proximity to shopping, entertainment, attractions and medical care.
- Useful info about the neighbors and members.
- Upgrades and repairs that have already been done (attach a dollar amount).
- Upgrades or repairs that still need to be done (attach a dollar amount).

USE A RANKING SCALE

To evaluate several different matching homes and communities that seem interesting, **you can use a ranking scale of 1-10**. As you list the pros & cons, this is a way to assign a level of importance to each feature.

Give higher scores to features you've already listed on your "non-negotiable" list. Add up the scores and use the point totals to see which are the best homes and communities for you.

Also:

- *Do this with your spouse*, but separately, so that each of you create your own list with your own rankings.
- Then compare the two lists.
- Narrow down the best options and eliminate the homes and communities with the lowest scores.
- Combine the highest ranked properties from both lists so that you have a master list to work off.

Pros	Cons
<div><div></div></div>	<div><div></div></div>
<div><div></div></div>	<div><div></div></div>
<div><div></div></div>	<div><div></div></div>
<div><div></div></div>	<div><div></div></div>

START YOUR SEARCH - USE SEARCH TOOLS

Before you actually visit homes and neighborhoods, you need to identify the potential fits from a vast sea of housing options in San Diego.

Your agent will be a huge help in this stage. Often times, they will do many things on your behalf, including: searching for homes that fit your criteria... previewing potential homes for you... arranging viewings for you... and conducting market analysis on comparable homes... *all this for many homes that you will never buy.*

RECEIVE REGULAR REAL ESTATE LISTINGS MATCHING YOUR CRITERIA

Buyers can access and view all *publicly* available real estate listing information on the web site of their broker of choice. Using search tools offered by real estate websites, you can receive regular emails with listings of open houses and available properties matching your criteria.

*You can sign-up for **auto-alerts** and get detailed information on open houses of any type within a specified price range, size and location. This includes daily updates anytime new properties new hit the market, and even when the price drops on a home you are following.*

MLS or Multiple Listing Service is at the heart of many of the online search engines. The MLS is a tool to help the listing brokers find agents working with buyers, to help sell their clients' homes. This is a great benefit for buyers and your agent can send you regular lists of updates on available properties.

However, your agent has greater access compared to what is available to the public. Not all sites are linked to MLS and sellers have the option to restrict their listings from the search engines. And, MLS listings withhold sensitive information about the seller for privacy or safety reasons, such as seller contact information and times the home is vacant for showings. *Therefore, you'll need to work with your agent to set up viewing times and contact the seller.*

Info you'll receive includes:

- Home details with photos, price, size, construction date and all features and amenities
- How long the property has been on the market and how recently the information has been updated.
- Official property, sales, and tax information from county (public) records
- Information about local businesses, schools and crime rates near the property
- Affordability – general monthly mortgage estimates

Other websites include:

- [Trulia.com](https://www.trulia.com)
- [Zillow.com](https://www.zillow.com)
- [Realtor.com](https://www.realtor.com)
- [Redfin.com](https://www.redfin.com)
- [DreamwellHomes.com](https://www.dreamwellhomes.com)

Be sure to set up alerts through several search engines with specific parameters. You can be as specific or as vague as you want, but it should fit all your requirements.

Also, you should use 2 or 3 different engines to receive alerts. Not all sites receive the same listing information directly from MLS... and the speed with which each site is updated can vary. This could make a difference in a competitive market.

And remember... always prioritize the list of homes you receive directly from your agent!

DISAPPOINTMENT

Be careful not to be allured by the many amazing properties you see online. Many times, buyers tend to lose sight of their original intentions and the homes that best fit their interests.

Remember how emotions can sabotage you!

Many buyers have expressed disappointment and uncover a potential communication breakdown at this stage. If your agent is providing you with a list of homes that you don't feel comfortable with... it's probably time to take a step back and reevaluate things, with a fresh look at your criteria and goals.

If you think your agent is sending you properties that don't match up to what you're seeing in your own searches, this could be a clue that there's a disconnect.

If problems do arise in this area, here is another way to fix it:

1. Meet with your agent directly at their office where you can have access to the MLS search database.
2. Together, search for all the homes in the area you're interested in, that fit your budget... **and nothing else.**
3. From this point, add one of your "non-negotiable" features to the search criteria. Do this one at a time for each feature you want to include, and see how the number of homes matching your criteria changes.
4. Once you have entered all of the attributes, see if the inventory displayed indicates that there are homes for sale, in the areas you want.
5. Now ask yourself, have you been seeing these homes? Has the agent been showing them to you?

This will help you remove all doubts...to know if there are available matching homes in the area you want, and you'll confirm if you are actually seeing them or not.

Chances are, your agent has already been showing or recommending these homes to you!

This might help you understand the current market place better and help you to start thinking about compromises or changes to make in your strategy.

But be sure you are responding to your agent's suggestions... remember that your buyer's agent working solely for your benefit.

THE DRIVE-BY

When shopping for homes, you can't do it all from the comfort of your home. Even the internet has its limitations! So to be more effective, you need to get out there and take a first-hand look at neighborhoods. Driving by a potential home to see if you like its orientation, lot and neighborhood, is an important part of your strategy.

Seeing a candidate home and the neighborhood in person is a necessary step *before scheduling any showings with your agent*. This also does 3 things:

1. Gives you a good idea of whether you like the property and its surrounding neighborhood. You'll likely find some that don't appeal to you.
2. Exposes you to new areas and other potential candidate homes you haven't considered yet. You'll surely see a few surprises that may fit your lifestyle and goals.
3. Helps you focus on the "big picture" and saves you from wasting time on homes that seem desirable, but where the communities or neighborhoods fall short.

We suggest you set aside time to drive around a neighborhood to get a first hand look, and even take some notes. But more than just getting a feel for a particular neighborhood and comparing homes, *go a little deeper*. Other factors to evaluate when touring a community include:

WALKABILITY

Are there worthwhile places to visit, within reasonable walking distance?

- Sidewalks – How are they? Are they in good condition? Are they wide enough for wheelchairs, strollers, bicycles or tricycles? Are there busy streets to cross and crosswalks (clearly marked)?
- Are there interesting places to walk to? If you have kids or grandkids, consider parks and playgrounds. Also notice local coffee shops, grocery stores, libraries, bars, fitness venues, movie theaters, bus stops, or banks/ATMs.
- Find the **Walkscore** - a numerical score used to evaluate a home's proximity to shops, restaurants, transit, schools, etc. The higher the score, the better an area is considered in terms of walkability.

HOMES FOR SALE

How many homes are for sale? Too many homes for sale can be a signal of a neighborhood struggling through hard times. You may find good deals, but there may also be crime and neglect or unfriendly neighbors. Large numbers of "short-sale" homes can be a signal of a distressed area.

HOMES FOR RENT

Large numbers of homes for rent can be a signal of would-be sellers who've given up selling their homes and are just looking to cover the mortgage. It might also be an area with a high student population. Either way, more rentals means more turnover and you'll see more people come and go over the years.

COMMUTE TIMES

Is it easy to get to major highways during high-traffic hours? How about mass-transit? Are there bike lanes? Are there major construction projects that could cause delays?

ATMOSPHERE

What is the feel of neighborhood like? Are the homes well maintained with nice landscaping and lawns? Are the public areas clean? Are there nice views? Local parks? Do the neighbors seem friendly?

DINING AND NIGHTLIFE

How far to the nearest restaurants, bars and cafes? Does the neighborhood go dark by 9pm, or does it start getting lively later at night? Nearby bars and restaurants can be convenient, but they can also be a source of late-night noise.

SCHOOLS

How close are schools? Do they look well-kept? Are there troubling signs like graffiti, barbed-wire fences, or broken windows?

QUALITY-OF-LIFE FACTORS

Is the neighborhood on the up and up, or on the decline? Are new stores, restaurants and business opening, or closing down? A drive through of the neighborhood should give you a good idea of the economic status.

All of the above are totally personal to you, and you'll need to actually experience this in person to know for sure whether you like it or not.

As you experience different neighborhoods during your drive-bys, give your agent some feedback so they can know the additional areas to focus on.

VIEWING HOMES IN PERSON

After you've done your drive-bys and researched the communities first hand, you'll be ready to start viewing potential homes with your agent.

As you already know, homes will look much different in person from what you've seen online. *Many buyers experience at least some small idea changes after viewing a home in person.* This can be both positive or negative. You might see a different kitchen configuration that suits you better, or get new ideas for outdoor living arrangements that spark your imagination. On the other hand, you could feel disappointment about a home that didn't live up to your expectations, or from what you felt as you saw it online. *You might even be surprised about a home that you weren't previously so keen on.*

But don't feel badly about shifting in your new home's criteria. You should expect to have slight changes in desires as the home search evolves. But above all, the critical thing to do when your ideas do shift is to share them with your agent so that they can adjust the home search and include this new desire.

Remember... finding the right home is a team effort. *You are the key member of this team.* Keep the lines of communication open, and your home search will result in a great property that you can grow in and enjoy for many years to come!

FINDING STRONG CANDIDATE HOMES

Once you identify a good candidate for your future home, *don't expect to make an offer immediately*. No, we're not quite there yet!

There is way too much to absorb when looking at a home, especially after just one viewing. Just try to take it all in, and work things out a bit in your mind and discuss it over with your spouse. You'll come up with a lot of questions after the first viewing. Also, your agent will have questions too... both for you and for the seller too.

But for certain, we always recommend that you see the home a second time... and at a different time of day.

Getting a "second look" will let you check on things that occurred to you, or stuck out in your mind after the first viewing. You might even want to take some measurements to verify that furniture, or appliances, etc., will fit comfortably into the spaces.

Seeing the home at different times of the day helps you understand the level of activity in the neighborhood. If your first viewing was during the day, then you should see the home in the evening, when most residents have returned home. This might show a few new wrinkles you missed the first time, or during your drive-bys... issues like street parking availability, and how many children are out playing after school, etc.



Get a 2nd or 3rd Look!

**Check out the home
and community on
different days, at
diverse times.**

Conversely, if the first showing was in the evening, then go back during the daytime hours for a different experience. And lastly, it will also be really valuable to get a look at the level of activity during the weekend as well. When you're ready, your agent will coordinate the 1st or 2nd viewing of the home, on the appropriate days and times.

After doing all this, if you still feel like the home is a good fit, we'll begin the process of determining the fair market price of the home. By doing a market evaluation of the comparable homes in the area, we can arrive at the basis for an offer that you eventually make on the home. This is known as requesting "comps" and your agent will provide all this for you. Comps will list all the nearby homes that have sold in the past 90 days and are similar in size and scope to your candidate home.

HAVING IMAGINATION

Smart home sellers always prepare and "stage" their homes. That's how to gain an advantage over other similar homes and to get higher dollar offers. *But for other sellers who aren't quite so prepared or motivated, their homes will likely appear plain and reflect their actual daily living conditions.* And for them, they will likely have more difficulty commanding higher offers. **All these things can actually be a great sign and can work to your advantage!**

In general, it's rare that a particular home seller's tastes match up with the taste's of the homebuyer's. People's unique personalities are largely reflected in their homes. Many homes will still have the sellers

and their families still living in the home when you view them. Their personal items can dominate your impression of the home and cause distractions as you try to imagine it as your own.

Unfortunately, these differences in style usually work like a smokescreen, and hide a great home that lies just beneath the surface.

USING A LITTLE IMAGINATION WHEN VIEWING A LESSER PREPARED HOME IS IMPORTANT

It will almost always save you money. Like any artist who looks at a blank canvas, with a little imagination you can also transform a “vanilla” or plain house into your own work of art, with a style that compliments your taste and needs.

Just a few basic things can enhance any home, all while staying on a very modest budget.

The ideal thing to do is focus on the “bones” of the property. If the home’s layout and the lot size are good for you, and you feel comfortable with the neighborhood, then this is already a great start.

Very soon you’ll have the chance to add your own personal touches to truly make it your home.

Use Your Imagination:

Look past the existing shade of paint on the walls, soiled carpet, the color and pattern of the kitchen and the 70’s or 80’s style designs.

Instead, imagine fresh clean walls, with neutral carpets or flooring.

Mentally, and in practice, you can quickly take a plain or bare dirt yard and bring it to life by adding green sod and planting fruit trees, shrubs or simple flowers.

HOMES THAT NEED REPAIRS

You could very well walk into a golden opportunity! If you view a lot of older homes, and those that are not in their top condition, it’s important to always remember the list of non-negotiable items and *use a healthy imagination* as you tour any potential home. Especially when you come across homes that need some repairs or cosmetic improvements, *be sure to give every home full consideration*, until you can confidently eliminate it as a candidate.

If you’re not compromising on your non-negotiable list, a home that needs repairs might be worth looking into farther. There’s a few good reasons:

- These homes generally attract fewer buyers
- They linger on the market longer than move-in ready homes
- More price reductions are made, more often
- They may be ripe for picking up below current fair market value

Determine if repairs are only minor... like walls with dings or scratches that need patching and painting, outdated fixtures that need replacing, vinyl floors, cabinets, and countertops that need to be upgraded, etc. These are all simple repairs that can be done inexpensively.

A typical handyman can handle most minor repairs and might charge anywhere from \$25-\$40 per hour.

CHAPTER 7 - WHAT TO DO AFTER SELECTING A HOME OF INTEREST

Upon finding a potential future home, your agent will be fully involved in supporting you through the final steps. This includes determining the best offer and doing the negotiating, overseeing all the due diligence and coordinating the closing requirements. You should always be in regular communication with the agent, and they will manage communication between all parties involved in the sale.

The agent should meet in-person with you to sign all documents and participate in all property inspections, including termite inspections and treatments, and any extensive repairs to the property. This could also involve significant negotiations, that your agent will facilitate or help you with.

MAKING AN OFFER

Once you've found the home you love, the next step is to **make a strong offer**. While emotions are probably running high at this point, it's important to keep the proper perspective and view the purchase as an investment. Your agent's research will include similar properties in the neighborhood to help determine the market value and fair price of your home.

The 3 basic components of a purchase offer:

- 1. **PRICE** - The dollar amount you are approved for, willing and able to pay.
- 2. **TERMS** - Covering the other financial and timing factors to be included in the offer.
- 3. **CONTINGENCIES** - Clauses that let you out of the deal if the home has problems that didn't exist or which you weren't aware of when you went under contract. They specify actions needed in order for you to fulfill the contract.

Now let's take a deeper look at some best practices in making the best offer:

THE BASIS OF YOUR OFFER

Your agent will perform a comprehensive *Comparative Market Analysis (CMA)*. This detailed report will show all similar homes in size and scope, nearby your potential home, that have sold in the past 90 days. The CMA's main purpose is to know the home's current fair market value and help you to arrive at the best offer price.

OFFER PACKAGE

The agent will also need certain documents from you to be submitted as part of the offer package. There are 3 main things:

- A copy of an earnest money deposit check, which is typically 1%-3% of the total purchase price.
- A copy of your loan preapproval letter provided by your lender, in the amount of money to equal the offer.
- Proof of funds to cover the earnest money deposit, down payment and closing costs.

HOW TO MAKE A MORE ATTRACTIVE OFFER

Other than the price of the home, your agent will use several strategies to make your offer look more attractive to the seller.

A BIGGER EARNEST MONEY DEPOSIT AND DOWN PAYMENT

The amount of the earnest money deposit and down payment will demonstrate to the seller your level of seriousness. *Raising both of these can make your offer stand out above any other.*

A SHORTER CONTINGENCY PERIOD

The usual and customary contingency period for buyer's due diligence, when all inspections are completed, is around 17 days. Your agent can work to shorten the contingency period to around 10 days, *while still getting everything done.*

ALLOCATION OF COSTS

Allocation of costs basically specifies "who pays for what" in the transaction. Usually purchase offers are written so that the allocation of costs burden falls largely on the seller. This means more money out of the seller's pocket. If this home is highly desirable to you, and you're looking for a way to possibly put your offer in a position of strength, *your agent can write the offer so that you take on the burden of some of these costs.*

ALWAYS A TEAM EFFORT

We've already stressed the fact that buying a home is a team effort, with you being the most essential part of the team. Writing the offer is definitely a key point in the process where the entire team comes into play. Together with your agent, you'll examine your goals and the various strategies available to make your offer the best that it can be.

PERFORMING DUE DILIGENCE

Your final offer is not quite ready at this point. A thorough evaluation of the home, on many levels, is a "must" before you can make your best offer.

Consider what the home needs... new appliances... repairs... cosmetic work...etc.

Do some research to see what the costs of these items are. Many of these costs will become clear after the home inspections are complete. But if you already know you need certain repairs, or a refrigerator, or a washer/dryer... *then calculate these total costs and use this dollar amount to structure your offer to purchase the home.*

Here's a quick example:

If repairs and upgrades add up to \$5,000, and you're looking at a home that your agent determined had a fair market value of \$500,000, then you should build the cost of \$5,000 into your offer by submitting it at \$495,000.

WHY YOU SHOULD NEGOTIATE REPAIRS UP FRONT

Once you find a property that you feel could make a great future home, *the last thing that should happen is for the deal to fall apart over minor items or expenses.*

To avoid this, determine your **“pain dollar limit”** before making the offer on the home. This will be the amount you are comfortable with spending for any *unforeseen repairs or expenses that comes up after the home inspections.*

Using the previous example, if you’ve made an offer of \$495,000 for a home that we’ve determined has a current fair market value of \$500,000. You’ve already have a built in cushion of \$5,000 for the expenses that you already know of.

But now additionally, you decide your "pain dollar limit" is \$2,000. This is to address anything **unexpected** that arises after home inspections are completed. *And anything that costs less than \$2,000 to repair, should be acceptable for you and not become a deal killer.*

Remember: It is always best to negotiate repairs up front in the offer stage, and of course, your agent will lead the way on this. Trying to negotiate repairs with the seller after they’ve accepted your offer is much more difficult. *From the seller’s perspective, they have already signed and accepted a contract that should be honored. They don’t have to do anything beyond the terms of the contract.*

HOME INSPECTIONS

During the offer stage, you still won’t know everything about the home. You’ll need a property inspection to expose any potentially hidden issues. You should be present for this, along with your agent. This way you’ll fully know what you are getting into before signing closing papers.

The home inspector’s job to mark everything discovered, no matter how large or small. The inspectors report can be lengthy, but things that are easily fixable can be overlooked for the time being. *If a big problem comes up in the inspection report, you’ll have to bring in a specialist and in a worst-case scenario, you may need to cancel the purchase.*

The main concern is structural damage, which can come from water damage, shifting ground, or poor construction. Many times, if additional repairs are needed, it’s either the **home inspection or even a termite inspection** that uncovers them.

HOME INSPECTION DETAILS

Remember, a home inspection is not an exhaustive check of the house, nor a warranty of any kind. It is very general in nature and **limited only to the “visible and accessible” portions of the home.** The concept to keep in mind... is that a home inspector can only report what they see.

But they can spot clues or indications of deeper problems (problems to be addressed by a specialist). As an example, a home inspection may recommend repairs or an evaluation by a licensed plumber. In this case you would forward the home inspection report to a licensed plumber to immediately get their

opinion. In turn, the plumber will provide an estimate for the repairs, or give an estimated life remaining of a component.

Other areas not covered by home inspections include: **foundation, rodent & termite, radon, mold and water tests and slab leaks**. These are all separate services.

Home inspection reports include many photographs and also *use a color coded filing system*:

- **Red flag** - any area of concern that needs immediate attention - buyers should pay attention to all red flags.
- **Yellow flag** - an area of concern that could become an issue in the future, and is something to be aware of down the road.
- **Green flag** - means that all is good.

POTENTIAL OUTCOMES

If a red flag pops up on the property, then it is time to determine how much it will cost to repair. *And if that cost is above your "pain dollar limit" (and is out of your acceptable range), then as long as you're still within the contingency period you can back out of the deal and get your earnest money deposit returned to you.*

However, instead cancelling the deal completely, we can always ask the seller to pay for the repairs. Many times, if it's a reasonable request, they will take care of it.

But of course, the seller always has the option of refusing since there is an executed contract already in place.

Don't Hesitate!

If the home inspection report has a recommendation for further evaluation by a licensed professional, don't wait!

Be sure to do it before the end of your contingency period. If you don't take action before the end of the contingency period and close on the home, you are responsible for any repairs.

MAKING YOUR "HIGHEST AND BEST" OFFER

Homes considered to be “move-in ready” will obviously appeal to the majority of buyers. Throughout your search you will probably see plenty of these homes sell fairly fast.

But once you find a great home and you’re ready to make an offer, there may already be multiple offers in place from other interested buyers. When we suspect there are, or will be competing buyers on a home, we have to decide whether it’s necessary to make your “highest and best” offer from the start.

A “highest and best” is simply an offer in the highest amount that you would pay for a property. Unlike situations where the buyer is looking for a deal, or the chance to buy at a discount, “highest and best” offers send a clear message to the seller. Here you are clearly labeling the offer as your *highest and best*.

Not only have you arrived at the premium price that you would pay for their property... *but you are also offering that premium price from the outset.* And in addition... you are sending the message that *you will not consider any counter offers.*

Or in other words you are kindly saying... **“take it or leave it!”**

In general, there are two basic strategies to making an offer on a home:

1. Taking your strongest shot at acquiring it with your “highest and best” offer
2. Making a lower offer... taking a chance that the seller accepts it immediately... or waiting for the seller to come back with a counteroffer.

The goal of your “highest and best” offer is to stand out above any other offers and buyers who are shopping for a deal. Therefore, your offer should always be near or above fair market value for a property of this type.

WHEN FEAR CREEPS IN

In our experience in working with many buyers, fears and doubts always enter in the equation and tend to cloud the buying process. *But remember, buying a home is no small feat... and this is just a normal result of being human!* And consequently, we see a consistent trend and the same story time and time again. It sounds something like this:

“I wish we had made an offer (or stronger offer) on that house we looked at 3 weeks ago, but now it is gone”.

Of course it’s always easier to see things clearly in hindsight rather than in the heat of the moment. As agents, we’ve had many chances to examine the situation.

So why is it that we follow all the appropriate steps to find a home matching a buyer’s criteria, but somehow the opportunity passes them by and the home is no longer available?

Usually their only response is:

“If I had only known then, what I know now!”

So what's happening to buyers... why exactly aren't they moving forward on homes that are obviously ideal for them?

Well like we said... **it's simply fear**. Fear kicks in... and starts playing tricks on buyers' minds.

It's fear that tells you... there's a better house out there **someplace**... that there are hidden faults in the house... that this home is too good to be true – there **has** to be something wrong here **somewhere**... fear makes you ask: *"what if I get sick... or what if I lose my job?"*

It's always fear that sabotages a great potential situation.

Recognize these false objections simply for what they are... NERVES.

CONSIDER WHERE YOU ARE IN THE PROCESS

Take a look back at the work you've already done... and the advice and guidance your agent has provided:

- You have already acknowledged that buying a home makes sense for you and the timing is right.
- You know that financially, buying a home is a smart move and that you can definitely afford it.
- You've done your homework and found a potential home that fits your needs.

Additionally,

- You will hire professional home and termite inspectors on any home that you make an offer on. Both of these inspections should uncover any major issues that the property may or may not have.
- If the home inspections uncover a "deal killer," *your agent will have already written an escape clause into the purchase contract so that you can simply walk away from the deal at this point.*
- Walking away while still within the contingency period, **your earnest deposit money is NOT at risk.**
- You know your nerves will play games with you...so be strong!

In reality, every house will have its flaws and blemishes... no matter new or well constructed. There's really no such thing as perfection when it comes to a house. As a homeowner, at some point you will have to deal with some kind of home maintenance.

PREPARE YOURSELF FOR OBJECTIONS

To better prepare yourself for the objections that always seem to plague homebuyers, start with the following:

- Make an honest list of your fears, writing them down on paper. Write everything that comes to mind, no matter how childish or inappropriate they may seem.
- Take some time to consider this list to determine if they are valid concerns or just nerves.
- Then separate the valid concerns and discuss them with your agent.
- Together with your agent, you address and resolve each concern, coming up with practical solutions.

CLOSING THE DEAL

Once you've made an offer and have completed the inspection process, you're almost home! This is a busy time and there are still *important pre-closing responsibilities* to be handled.

Several things occur simultaneously. Your agent will handle most of the details and ensure you don't put your closing date, or mortgage at risk.

And on your end, some your duties include:

- Keeping on top of your credit and finances. Avoid any large purchases during this time, or at least consult with your lender first.
- Staying in close contact with your agent and mortgage lender. Always be timely about returning calls, responding to messages and completing all paperwork promptly.
- Communicating with your agent at least once or twice a week, and confirm with your lender that all mortgage requirements are met.
- Completing a final walk-through of the property with your agent and spotting anything you didn't notice before.
- Confirming that you have the settlement statement (listing all the closing fees), certified funds, and evidence of insurance completed prior to closing.
- **Arranging homeowner's insurance to protect against loss or property damage and against liability in case someone sustains an injury on your property.**

CLOSING, SETTLEMENT OR CLOSE OF ESCROW

Closing on a home can be called several different things. Either way you say it, the process isn't fully completed until about 4 – 6 weeks after you sign the contract with the seller.

If you are using financing and need a mortgage for the purchase, you will actually have 2 sets of "closings." One is on the purchase on the home itself... and the other is the closing on your loan.

When you and the seller sign the purchase and sales agreement, you will also choose *a closing agent*, an impartial 3rd party who handles all the paperwork, money and instructions. In California, the home buying process closes with what is known as *the Escrow Process* and *an escrow agent completes the deal*.

However, your agent directs the entire process, making sure the closing agent has all the requirements for you (the buyer), and seller. This means getting you both in sync and aware of all appointments, dates and times, and all parties are prepared with the necessary documents... all completed beforehand.

AN OVERVIEW OF THE ESCROW PROCESS:

1. Your funds (the buyer's funds) are held by a neutral third party, along with the purchase contract, and an escrow agent will verify that the buyer and seller have completed their responsibilities in the deal
2. The escrow agent notifies the seller's agent when the title has been recorded.
3. The seller's agent will deliver the keys to your agent (the buyer's agent) or directly to the buyer.

THE BUYER'S ROLE IN CLOSING

Once you enter into a contract with the seller, closing includes:

- Your offer is accepted by the seller and the contract is signed. This also begins the escrow process.
- Your Earnest Money Deposit is deposited to the escrow company, the seller's real estate brokerage or attorney (depending on the contract).
- You, the buyer, review and sign off on all disclosures made by the seller (things like property flaws or any improvements and repairs or potential hazards). These disclosures may also be given prior to you making the offer and will be factored into the price.
- You and your agent arrange for all property inspections to be completed within the contingency period.
- You review all home inspection findings and renegotiate based on any new flaws uncovered (submitting modified requests to the seller, changing the offer price or cancelling the deal and recouping the earnest money deposit).
- You, the buyer, remove any contingencies once the inspections are cleared and issues resolved (or the contingency period ends without any additional requests to the seller).

THE CLOSING AGENT'S ROLE

Among the many tasks, your closing or escrow agent prepares the complete instructions for you and the seller to finalize the deal. The escrow agent does the following:

- Coordinates with your lender who prepares and sends all your loan documents to the escrow company.
- Determines the seller's loan payoff amount
- Prorates the property taxes
- Verifies that the seller completes all repairs, pest control or any other agreements related to the contingencies made in your contract, and arranges a final billing date for all utilities.
- Confirms that you, the buyer, are finishing your loan application, purchasing a homeowner's insurance policy and calling the utilities to set up service under your name as of the closing date.
- Makes sure the title company researches the ownership history of the property, doing a comprehensive title search for the final title report.
- Once all documents are prepared, the escrow agent informs you will how much money you need to pay at the settlement, in the form of a cashier's or certified check.
- If your contract includes a final walk-through to inspect the property within 24 hours of closing, your agent should be there with you to oversee and ensure everything is addressed. If you discover the seller didn't meet all specifications, or other inadequate conditions in the home (air conditioner is dead, or the stove won't work), problems at this point could delay the closing and force the escrow agent hold back money due to the seller until repairs are made.

When the escrow agent is satisfied that everything is in order, the "closing meeting" can take place.

THE CLOSING MEETING

Many times, the buyer and seller do not even meet. The meeting might only include you and your agent along with the escrow or closing agent. But you'll have to come prepared and be ready to spend an hour or two, being sure to read over and verify all the documents.

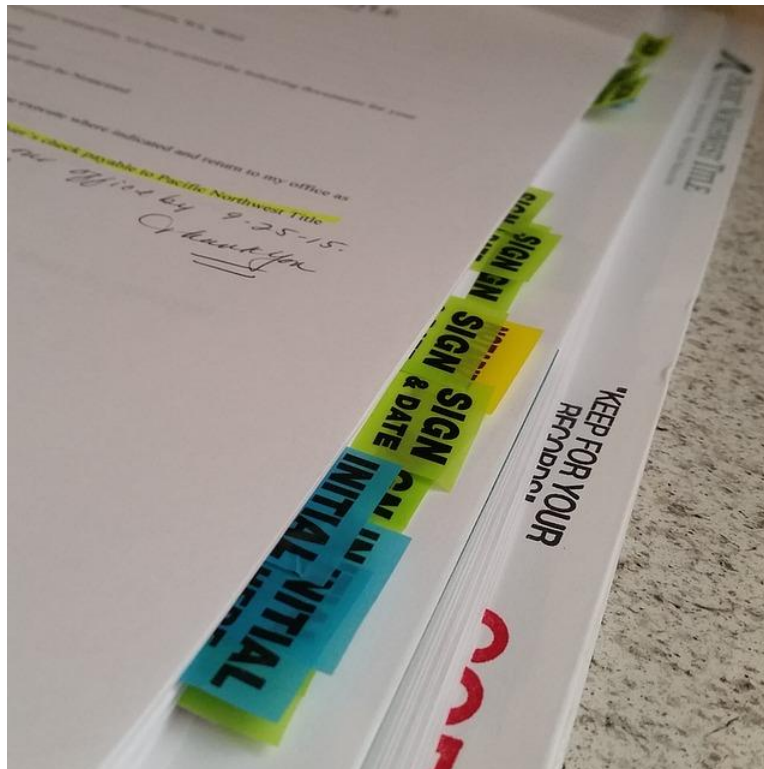
Here's what you'll need to bring:

- A certified cashier's check – covering the down payment and the closing costs
- Proof of Home Owner's Insurance – Your mortgage lender will require you to have a "hazard" policy. The closing agent needs to verify that you have a policy effective on the closing day and proof that you have paid the policy for one year.
- Photo Identification - a valid driver's license or passport
- Purchase and Sales Contract – to verify any details including closing cost

You'll sign all the closing documents including the HUD-1 Settlement Form, the deed (transferring ownership from seller to the buyer) and any final mortgage documents. The deed will be recorded at the local municipality, funds are distributed to the various parties... *and then you can take possession of the home.*

As always, your agent represents your interests and has a full understanding of each step of the process. But you should still be sure to read all paperwork before signing.

Don't be afraid to take your time, even if the other people in the room have to wait for you to read silence. This is serious a matter, so don't treat it lightly.



CHAPTER 8 - OTHER POTENTIAL PROBLEMS AND STEPS BEFORE CLOSING ON A HOME

GETTING "COLD FEET"

It's easy to talk about cold feet, but *it's usually very difficult to recognize it when it's happening to you!* Suddenly, everything you had worked for over the past weeks or months seems all wrong... *and at the most crucial moment.*

Often we see this with buyers who look for reasons to sabotage a home purchase. They tend to make a fuss over little things, even minor changes or repairs, using this as an excuse to back out of the deal. What a shame!

This is another sign of emotions rearing their ugly head again!

But this is to be expected. With the help of your agent, you'll have a constant voice of reason and someone to help you see things clearly.

Count on your agent to find solutions to any problems or changes that pop-up along the way... *even at the last minute.* And for your own comfort, go back and review all the reasons and criteria that led you to choose this home.

Do the compelling reasons still stand?

Has anything changed significantly since you began pursuing the home?

Remember, your emotions are running wild at times, *and they usually work against your best interests at the most critical time.*

BUYING AND SELLING A HOME AT THE SAME TIME

One of your main obstacles to moving to a retirement dream home may be figuring out how to handle the sale of your existing home. The 2 tasks together can seem overwhelming, but with the right help, everything can go smoothly. Of course, an experienced agent can line up everything and set things in motion, on both the buy and sell side.

The first part is knowing the house value and how much you can expect to receive for the sale of your home. This way you have an idea of what you can afford. Your agent can quickly provide you with an estimate of your home's value, otherwise you can find many websites that offer *free home value reports* (for example: <http://www.realtor.com/sell>).

So from here, there are 2 paths you can take:

#1 -BUY THE NEW HOME FIRST

This way you'll already have a place ready to live in... and you won't have to consider temporary housing somewhere during the interim. *This also means you won't have to move all your things twice.*

Going with this route you have a few options to consider from a financial standpoint:

- ❖ Pay for the new home in cash.
- ❖ Get lending pre-approval to purchase the new home and pay off the mortgage as soon as your current house sells (which also means coming up with a minimum down payment of 3.5% of the purchase price).
- ❖ If cash is not an option, borrowing from family members or temporary loans from a 401K or IRA, to be paid back immediately after the existing house is sold.
- ❖ Negotiating financing from the owner of the home (if the seller is willing to carry a note on the home you're purchasing), which you can pay off immediately after your existing home sells.

#2 -SELL YOUR EXISTING HOME FIRST

This also means lining up a listing agent to sell your current home. A few points to keep in mind here:

- ❖ Choose a listing agent with care and interview at least 3 before choosing.
- ❖ *Prepare your house to sell* and make it presentable before it goes on the market.
- ❖ Be ready to negotiate each offer based on **timing** and the terms, as well as the price. Your agent will provide invaluable advice, not only for strategy but also negotiating on your behalf.

ARRANGE TEMPORARY HOUSING

Since you'll technically be homeless for some period of time, you probably need to line up a short term rental. It could be a little pricy, but it should only be temporary until you close and take possession of your new home (hopefully no more than 1 to 3 months). Of course, your real estate agent (buyer's agent) can help you with the rental too.

Another option is to negotiate a "rent back" period of on the sale of your home. Once you have a buyer, your real estate agent can help you negotiate an agreement that lets you stay in the home for an extra period of time (a few extra days or weeks). Mostly likely this means paying a rent, enough to cover the new home owner's mortgage, insurance, taxes or HOA fees.

Either way, the option of renting after you sell your home prevents you from being pressured into buying a home that you are not completely comfortable with.

HOW TO WEAR THE TWO HATS OF BUYING AND SELLING

The best piece of advice is to have a **great real estate team** working for you. A real estate expert with an existing team, can offer all the matching services you'll need during the process. They can connect you with experts who are best fit to your needs... *both as a home buyer and a home seller.*

Qualified agents, especially those who work with retirees, have trusted associates with the right insight and perspective to make the process run smoothly. Because of the team structure, they all share a single goal... helping you find the best possible outcome in buying and selling a home

An expert real estate team will coordinate all the necessary people and processes that are involved. They can advise you of your multiple options and provide a main point of contact so that you're not stressed and overwhelmed by every detail. The team approach creates much greater efficiency and allows for things to get accomplished simultaneously... on both of the transactions.

You should always look for real estate agents that work as a team!

CHOOSING THE BEST FINANCING OPTIONS

A smooth transaction requires a team. Teams offer better service because they are usually in-sync with each other. Agents may have one or several "preferred lenders" who they refer to home buyers. The best Realtors®, who do many transactions, work with the best lenders who can get the job done efficiently and close the deal on time.

However, there should be no obligation to use an agent's recommendation. Feel free to shop around and go with whoever you feel will best serve your needs. It's important to interview lenders carefully and ask them about their existing relationship with a real estate agent before you decide who to hire... *and always check their credentials and references.*

Other questions that can help you choose a lender:

- Who do you bank with, and do you have a relationship with there? Maybe start there.
- Are you a member of a credit union? You can often find the best loans with easier qualifications.
- Are you a veteran? Veterans shouldn't forget about the VA loan.
- Any there any other special affiliations? (Farm Bureau)

Consider what kind of lender you want. It's important you find someone you can trust, whether that person is a mortgage broker, banker or direct lender.

USING A REVERSE MORTGAGE

Perhaps you initially thought your price range for a home was \$300,000 or less? Or maybe you feel your options are limited because of your need to keep a low monthly mortgage payment?

Imagine getting the home you want without a mortgage payment!

Many seniors have never considered a Reverse Mortgage as another option.

A Reverse Mortgage or a *Home Equity Conversion Mortgage - HECM* (a type of FHA insured loan), allow you to turn the home equity of your new home into a source of cash or a line of credit.

This type of mortgage never requires you to make a monthly mortgage payment. In fact, you can actually receive a monthly benefit...eliminating monthly expenses... or helping pay your monthly HOA dues... or supplementing your retirement monthly income.

Reverse Mortgages are available for anyone over 62 years of age. *And you typically need to make a down payment roughly equal to 45-55% of the value of the home, and occupy the property within 60 days.*

You are still required to make payments for homeowner's insurance, property taxes and maintenance. *But unlike with traditional mortgages, there are no monthly interest or principal payments, as long as you live in the home as a primary residence.*

This option opens a whole new world to seniors when considering which community to retire in. If you feel your price range for a home is limited... think again. By using a reverse mortgage, you might possibly be able to purchase a larger, much nicer home, *and never make another mortgage payment again.*

Your agent can recommend a Reverse Mortgage Specialist to provide precise guidance and advice.

WHY CHOOSE A MORTGAGE BROKER?

Many times, home buyers look to their local bank branch or credit union, where the representative who sells home loans, auto loans, and checking accounts sits behind a desk waiting for clients to walk in. Big banks are a great option for refinances, *when there is no close date to worry about.* **But for home purchases, you need to work with a professional mortgage banker or broker who makes his or her living doing purchase business.**

Simply put, a mortgage broker is the middleman between borrowers (homebuyers) and the lenders who actually fund and service the loan. Of course you can easily approach any lender on your own, *but many borrowers prefer to use a mortgage broker because a broker can search for loans from multiple lenders.*

A mortgage broker will explain all your loan options and then present the most beneficial programs and provide you with the financial education you need. *Most lenders will do this too, but they can only talk about the programs they offer directly, rather than the full range of loan products that a mortgage broker has access to.*

Once you choose a loan with the mortgage broker, the broker communicates with the lender directly and follows through with the application process. *If any issues come up during the loan underwriting, the broker will work directly with the lender to resolve and coordinate every detail, including coordinating your closing.*

The mortgage process can be quite lengthy, taking a significant amount of effort for borrowers, but a good mortgage broker will make the process much smoother.

ABOUT US - THE DREAMWELL HOMES TEAM

Jean and Ken Tritle are licensed Realtors® in the state of California. Jean has a real estate broker's license (CalBRE# 01777754) and Ken has a real estate salesperson license (CalBRE# 01892793).

They value integrity, respect, honesty, relationships, and believe that people are put on earth for a reason... to serve others beyond their own personal needs. They specialize in assisting 55+ home buyers and sellers... and have already helped many happy retirees through their specialized, team approach.



OUR TEAM-BASED APPROACH TO REAL ESTATE MATCHING SERVICES

Within our real estate team, we have both Listing and Buyer Specialists. Specialists on both sides of your transactions (Buying & Selling) can apply their expertise for your benefit simultaneously, completing twice the amount of work in the same amount of time. This is a serious advantage... whereas for a single agent, it can be a major challenge and may lead to many missed details and deadlines.

This has proven to be a win-win for clients and our team of San Diego Realtors®. It gives clients access to a network of highly skilled agents... with the right expertise to help customers with all their real estate goals... and also allows our business to grow by doing what we love.

On the Listing or Selling side of our team, we have an SRES®, Senior Real Estate Specialist, and a BPOR®, Broker's Price Opinion Resource Specialist, ensuring your home is priced correctly and meeting your specialized needs as a senior home owner.

On the Buyer side we work with Home Buyer Specialists who concentrate on learning, in the greatest detail possible, what is important to you in your next home, so they can narrow the focus to finding you the best home. When you find the right home, they will negotiate the right deal for you, and work efficiently towards a successful and timely close.

OUR PLEDGE TO YOU

We are professional Realtors®, who have great reviews from our clients and take great pride in our industry and our work. Our pledge to you is to focus solely on your wants and needs until you complete the purchase of your new home. In fact, if you ever experience anything otherwise, *we would expect you to fire us.*

Our services are free, so if you are considering real estate professionals, please give our team the opportunity to earn your business.

Contact the DreamWell Homes team now!

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