

Quick Guide for the Home Buyer

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One of the many great things about real estate is the ability to move into a new home and call it your own... it's about new beginnings! This guide explains some of the key steps involved in modern real estate transactions from a home buyer's perspective.



Identifying New Home Needs and Wants

The critical first step is to define exactly what you're looking for – or perhaps more importantly, what you're *not* looking for. This may include home size, location, school district, town, lot type, layout – anything that cannot be easily modified in a home. Sometimes the “perfect” house on paper doesn't exist (yet), but making a list of what's most important helps to create a more meaningful search.

Selecting a Real Estate Agent

Just like James Bond is to the Queen, your Realtor® is actually tied to you by “agency”, and that's a good thing for you! An agency relationship is created whereby your agent owes you specific duties. These duties include honesty, professionalism, timeliness, and confidentiality, among others. Choose an agent that you are comfortable with and feel at ease communicating with – that's a real key for any successful transaction. SagePoint Realty emphasizes clear, concise, and complete communication with all parties involved in the transaction.

Increasing your “Buyer Attractiveness”

We are still experiencing a seller's market in the Fox Valley area, whereby there are more buyers out there than homes available. Market times are typically less than 2 weeks, and sellers are often put in a position to choose between multiple offers. That's where raising your attractiveness as a buyer comes in. After offering a solid price, buyer attractiveness all comes down to making the seller comfortable that the transaction will actually close as promised.

One of the most important things a prospective buyer should do prior to engaging in a property search is to **work with a lender to obtain a written prequalification for a loan**. Just like your real estate agent and ultimately your attorney in this process, you will have a relationship with your loan officer during the buying process, so choose wisely and don't just select who promises a slightly lower rate that week. A good



lending company not only helps you to confidently proceed with your search, it also shows the buyer that you are a qualified purchaser. Getting a **solid, written financing opinion is an absolute must** before looking at properties.

Scouting and Touring Properties

At SagePoint, we obtain a clear idea of what the buyer is looking for and will establish a means to identify and forward properties to them. Every buyer is different, so whatever method of identifying properties works for you works for us!

Prior to actually opening doors to look at properties for sale, you and your real estate agent must by law enter into and sign a **written Buyer Representation Agreement** that clarifies who is representing you and how that is to be done. Your real estate agent can provide you with that agreement.

The vast majority of properties listed on the MLS in northern Illinois are physically accessible via a universal lock box system (in this case, a SentiLock®). Your agent will schedule an appointment to view a targeted property with the listing realtor. Once confirmed, your agent can then accompany you or meet you at the property, access the key within the lockbox, and conduct the tour with you. To protect both you and the Seller, a licensed real estate agent (typically, your Buyer Agent) must accompany you on all showings.

Making an Offer

When you find that special property, your agent will help you prepare and submit your offer, which will include a proposed price, closing date, and various contingencies that the buyer determines is necessary. Again, the stronger the offer (fair price, low risk of failure) the better your chances of getting your offer accepted. Prior to the full signing of the real estate contract, there is typically some negotiation of the price and terms. Your agent will guide you through this process, as well.

After the Signing



There's a lot to do before getting to the finish line, but we're getting there! Much additional work starts *after* the signing... legal reviews with an attorney, setting up a title company to conduct the closing, securing approval from the lender, getting the property inspected and – in some cases – selling the house you have now!

SagePoint does not shy away from the heavy lifting that occurs after the contract is signed; your trusted agent will be with you every step of the way to ensure that the process runs smoothly until closing. At the closing you will produce funds to cover the down payment and transactional costs, and will get the keys to your new home!

CRITICAL HOME BUYING STEPS

- 1) BUYER selects BUYER AGENT to guide them through the purchasing process
- 2) BUYER selects LOAN OFFICER to assist them with determining loan max and obtaining any lending pre-approvals
- 3) BUYER and BUYER AGENT enter into a Buyer's Representation Agreement
- 4) BUYER and BUYER AGENT discuss what types of homes to target, then tour selected properties together
- 5) BUYER, through BUYER AGENT, submits offer to SELLER via the SELLER AGENT
- 6) BUYER and SELLER negotiate via their respective agents
- 7) BUYER and SELLER execute the contract via their respective agents
- 8) BUYER sends executed contract to BUYER ATTORNEY to start attorney review
- 9) BUYER sends executed contract to LOAN OFFICER to start loan process
- 10) BUYER submits Earnest Money (negotiable, but figure on ~2% of purchase price)
- 11) BUYER schedules home inspection with HOME INSPECTOR (within 5 business days of executing contract) – both BUYER and BUYER AGENT attend inspection
- 12) HOME INSPECTOR issues report to BUYER
- 13) BUYER via BUYER ATTORNEY prepares attorney review contract modification requests (including major inspection items) and sends to SELLER ATTORNEY
- 14) BUYER and SELLER agree on attorney modification requests
- 15) Property Appraisal is conducted via scheduling by LOAN OFFICER firm
- 16) Property Survey is scheduled through buy the TITLE COMPANY
- 17) LOAN OFFICER communicates that Buyer's loan is "Clear to Close" (financing is approved for closing)
- 18) TITLE COMPANY schedules closing
- 19) BUYER conducts final walkthrough of property with BUYER AGENT immediately prior to closing
- 20) BUYER attends closing at TITLE COMPANY, signs all docs, and gets keys to home!

SagePoint Realty is a boutique real estate agency located in St. Charles, Illinois specializing in residential transactions. We are less concerned with breaking personal sales records than we are with providing intelligent, effective, and superior service to every customer. Our goal is to make every transaction an enjoyable and profitable experience for each client.



SAGEPOINT REALTY

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