

## **Chapter 4**

### **Becoming an Expert on Finding the Dream Home**

In order to become an expert on the home buying process, you must acknowledge and respect the fact that information makes the buyer. Treating a potential home as if it will be the greatest purchase of your lifetime and the place you want your friends and/or family to spend time should prompt you to make a fabulous decision.

Start by selecting your preferred location when looking for a home. Becoming an expert means understanding the real estate market within a certain distance - be it five to ten miles, or just a block's radius. Look at the listings on the internet or in newspapers, and look at several properties before making an offer on a home. By the time your search is completed, you will be able to identify what you prefer and dislike in a home, and which qualities are most important to you. These could be based on a variety of factors - a larger backyard, a swimming pool or the local school system. Your search topics might include -- depending on your situation -- local schools, places of worship, access to transportation and your workplace, local health clubs, shopping, and the area's security. Prospective neighbors will usually be more than happy to give advice on all of these topics. Limit your search to properties within and maybe even a little above your budget, in case you are able to negotiate a lower purchase price.

Once you have selected a neighborhood, you should start spending more time in the general vicinity to determine if you are comfortable with the location. It is also important to pay attention to the sounds and smells of the neighborhood; take note of trains, traffic and local eateries. The surrounding community is an important factor in buying a home for most buyers. Visits to shops and restaurants and participation in cultural activities are also good ideas.

#### **The Real Estate Broker**

Real estate brokers and agents make their living by placing people in homes. They are essentially sales people; they do not get paid unless they sell. Typically, the seller pays the broker's commission, which customarily equals five or six percent of the purchase price, even though the commission may be divided between two brokers. Since a large portion of the homes for sale are sold by real estate brokers, hiring a broker that works for the buyer -- generally called a *buyer's broker* -- will not affect a home's sale price. At no time would the buyer have to pay the buyer's broker; customarily, the seller pays the commission to their broker who then splits it with the buyer's broker. For a detailed discussion of the real estate broker, please see chapter 8 *Conducting the Search: Finding Your Allies in the Real Estate Hunt*.

#### **Finding a Property to Purchase: Various Choices and Forms of Shelter**

In many parts of the country, the different purchasing options and forms of ownership require sophisticated knowledge and for a buyer to become familiar with various ownership structures to make a wise purchase decision. This chapter provides some basic education on the various types of shelter and homeownership. I will help you wade through the many types of homes to find the one that is most suitable to your needs.

#### **The Traditional House and Townhouse**

The traditional single family house stands on a plot of land separated from other plots of land. Normally, a buyer owns the house on the property as well as the land it sits on, along with