



HOME BUYING GUIDE

The Garrett Group

#GetThereWithGarrett

#GarrettGroup

#BatesvillesBest

www.BatesvillesBest.com



Mission Statement

Integrity-Honesty-Work Ethic-Passion

The clients of The Garrett Group will have an incredible experience from our first interaction to well after the closing table. We will always be honest and maintain integrity throughout the entire process while having the client's goals serving as the guide. Our work ethic will be unmatched no matter the sale price of the property. Passion for every part of the real estate process will be noticeable and expertise will be given each step of the way.



Who Are We?

Aaron Garrett



I have a passion for many things with number one being helping people. In my roles as a teacher, coach, and Realtor, I am blessed to interact with many others. I have had my real estate license for 15 years and have established experience in residential and investment properties. My focus will always be on helping my clients to reach their goals and developing relationships along the way. I am also a husband to Jenni and father to Lincoln, Winston and Eleanor. Fortunately for me, my family supports me as I chase all of my passions and real estate is allowing me to change my family's future. Our family is very active in the community, sports and with our family and friends.



Amanda Tucker



I started marketing for The Garrett Group in 2019. I saw how fast paced and interesting the real estate industry was and wanted to become a realtor myself. In the beginning of 2020, I earned my own real estate license. I continue to market for The Garrett Group while also being a licensed agent. I love connecting with people and look forward to all the relationships I will build in this career!



Testimonials

“Selling our family home was not an easy decision, but once my sisters and I agreed that it was time to sell ... we contacted Aaron. He made the listing process and ultimate closing as painless as it could be. While it’s sometimes difficult saying goodbye to your family’s home, we were fortunate to know the new owners and feel our home is in good hands ... and all the marketing and administrative details were handled efficiently with no surprises. I highly recommend Aaron and the Garrett Group!”

Sue Siefert - Seller

"Overall, our experience couldn't have been better! From the moment we initially contacted Aaron about viewing our current home to the moment we signed on the house there was professionalism and accessibility at all times! This was even during the busiest and most stressful time of the year between Thanksgiving and Christmas. In a matter of weeks, we were able to essentially buy our dream home as well as sell our home in the process. This is almost unheard of anywhere else! Aaron is the best for a reason. He is knowledgeable, organized, and incredibly easy to work with! Our hope is we don't have to move again, but if we do there is only one group we would trust to handle the process to perfection. That is through Aaron Garrett with the Garrett Group and Lohmiller Real Estate. Thanks again, Aaron!"

Brandon, Lindsey, and Emmersyn Walpe - Buyers and Sellers

“My experience with the Garrett Group, at Lohmiller Real Estate, was great. I was a first-time seller and had lots of questions that Aaron easily answered. He offered suggestions to help the sale and it all worked perfectly. I was happy with the offer and the buyer was happy with the purchase, what more could you ask for. I would recommend Aaron to my friends and family to help them with their real estate needs, buying or selling.”

Pam Swegman- Seller



“Thank you for all of your assistance with the purchase of our new home. The process can certainly be daunting, but your efforts made the experience much more pleasant than anticipated. Thank you for consistently making yourself available to resolve all of our questions and concerns. Brooke and I are particularly grateful for your experience, as we certainly leaned on you to help us with the numerous decisions that needed to be made. You provided guidance without ever pushing us in a direction that we did not want to go, and now we have our dream home! We could not have done it without you.

It probably is not often that a business transaction forges a friendship, but I feel confident in stating that is exactly what transpired in this instance. I don't consider you just a business contact, but a friend that I'd be happy to recommend to anybody looking for real estate services in Southeast Indiana.”

Jake and Brooke Leonard - Buyers

“Once again it was super easy working with you, everything was done quickly and efficiently, we were well informed of everything, our house had a showing almost immediately after going on the market. We wanted a fast process and that is what we got.

Thank you so much again for all your help and success!!”

Brett and Tara Coy- Buyers and Sellers

“After working with Aaron several years ago when we bought our first home, we knew he would be the perfect realtor to help us navigate our first home sale. His knowledge and experience allowed us to sell our home quickly, so we could move forward with buying our forever home. We appreciated his guidance when it came to making tough decisions and he never steered us wrong. Even though selling and buying a home is very stressful, he always made us feel at ease. We would highly recommend Aaron to anyone looking to buy or sell a home.”

Heil Family- Buyers and Sellers



WHY YOU NEED A REALTOR

As a licensed real estate professional, I provide much more than the service of helping you find your ideal home. Realtors are expert negotiators with other agents, seasoned financial advisors with clients, and superb navigators in the geographic areas they service. We are members of the National Association of Realtors (NAR) and must abide by a Code of Ethics and Standards of Practice enforced by the NAR. A professional Realtor is your best resource when buying your home.

LET ME BE YOUR GUIDE

- As a knowledgeable Realtor I can save you significant amounts of time, money, and frustration.
- As a knowledgeable Realtor I know the housing market inside and out and can help you avoid the “wild goose chase”.
- As a knowledgeable Realtor I can help you with any home, whether it is listed with another agency or it is being sold directly by the owner.
- As a knowledgeable Realtor I know the best lenders in the area and can help you understand the importance of being pre-approved versus pre-qualified for a mortgage. I can also discuss down payments, closing costs, and monthly payment options that suit you.
- As a knowledgeable Realtor, I am an excellent source for both general and specific information about the community and its services, schools, shopping, and transportation.
- As a knowledgeable Realtor, I am experienced at presenting your offer to the homeowner and can help you through the process of negotiating the best price and terms. I bring objectivity to the buying transaction, and I can point out the advantages and the disadvantages of a particular property.



The Buying Process

GETTING STARTED

On the surface, buying a home may seem like a relatively straightforward process. However, there are dozens of variables in any transaction that can make home-buying quite complex. Being prepared and organized makes the process that much easier and more enjoyable. Here are some steps to take before beginning your search.

Assessing your Financial Situation — For starters, use an online mortgage calculator to get a sense of your buying power and monthly mortgage payments. As a general rule, most experts say that your housing expenses should not exceed 28 percent of your gross monthly income, but a variety of factors – from your credit score to other debt – can open this ratio up to a pretty wide range. Remember that there are other costs involved in buying a home, such as moving, decorating, and remodeling expenses. You should also consult with your accountant or financial advisor to talk about how real estate affects your financial goals. Knowing where you will come out of the transaction will give you a lot more confidence going in.

Getting Pre-Approved — In today's home-buying environment, a mortgage pre-approval is not only essential; it is also incredibly easy to obtain – whether online, over the phone or in person. A mortgage pre-approval lets you know exactly what you can afford to buy. It also demonstrates to a seller that you are a willing and able buyer. And it gives you a head start in getting an actual loan commitment. Learn more about pre-approvals by visiting with one of our preferred lenders online or in person.

Features and amenities - Garage parking, hardwood floors, a fireplace, outdoor space, a doorman. In the end, these are the kinds of details that drive the decision to purchase one home versus another. In creating this list, some things to consider are resale value, your daily routine, and the cost of making changes or additions down the road.

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Type of home - A great diversity of housing exists within the city: single-family homes, new construction, vintage homes, re-sales and fixer-uppers. You probably prefer a certain style of construction. Weigh the pros and cons to narrow your focus.

Creating a Wish List — Almost every home purchase involves some degree of compromise, which is why it is important to prioritize your wants and needs before you begin your search. There are many variables to think about depending on your wants and needs before you begin your search. There are many variables to think about depending on your lifestyle, budget, and future plans, but some universal considerations include:

- Location - Consider the factors that are important to you, such as schools; transportation; and neighborhood amenities like restaurants, shops, and parks. Here are some ways to research an area you are considering.
- Tap local resources like the Chamber of Commerce, which can provide information about area businesses and community events.
- Seek out neighborhood residents and get their opinion about where they live.
- Drive or walk through the neighborhood at various times of the day and evening
- Leverage your agent's expertise in the neighborhood.

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FINDING YOUR HOME

Once you have obtained a mortgage pre-approval, you are ready to begin your home search in earnest. Today, approximately *80 percent* of home searches begin on the Internet, and if you are searching for a home in the Tri-State area, there is only one web address you need to know: **www.lohmillerrealestate.com**. Our web site includes access to all of the properties listed in the MLS. Best of all, you are in control. I'll manage and customize your search so that you receive e-mail updates on new listings as they become available. You can conduct several searches at once and save and compare properties.

Review Listings — Using the guidelines you set forth, I will present you with available listings. In addition to price and property attributes, pay close attention to data like property taxes.

View Properties — I will schedule showings and accompany you on each appointment. When you walk through a home, some things to consider are: how the space functions for your lifestyle; what's included in the total square footage (balcony, basement or garage); and, in new construction, which features are standard and which are upgrades. According to the U.S. Department of Housing and Urban Development, the average buyer will view 15 homes before buying one. But that is just an average. Some buyers will purchase the very first home they see. Others will look at more homes.

Open Houses — Remember, if you are attending Open Houses without your agent, be sure to mention that you are being represented by me. This will save you from being bombarded with calls from other agents trying to represent you. We will supply you with some business cards to make the Open House sign-in process even easier.

Compare Properties — Discuss each home you see with me, and provide candid feedback. Your expectations and the marketplace will begin to converge, and I will be able to adjust certain parameters such as location and features in order to present you with alternatives. Use the **Lohmiller Real Estate Home Buying Checklist** provided in this packet to track and compare each listing. When you find a home and are ready to make an offer, I will perform a Comparative Market Analysis or CMA. This report compares the subject property with other properties that are currently listed and recently sold to help you formulate your offer.



MAKING AN OFFER

It is important to act quickly and make an educated offer based on the rational approach to pricing and negotiating that we have discussed. To start the process rolling, I will draw up a contract that includes your offering price and other terms and contingencies. Buyers often focus on price, but there are other important terms to a real estate contract. Here are the most common elements of a real estate contract:

Price — The market will determine the final price, but your agent will help you formulate an offer based on comparable listings and sales, and current market conditions. If a home is priced well, national statistics show that it will close between 95-97% of list price.

Mortgage Contingency — A mortgage contingency stipulates that you will buy the home subject to obtaining a mortgage. If you cannot obtain a mortgage, and the seller will not agree to finance the sale, then the contract will be void. The terms of the mortgage must be stated in the contract, and you will also need to establish a timeframe for securing financing.

Home Inspection Contingency — A thorough inspection of the property by a licensed home inspector protects you against structural or material problems that are not detectable in a casual walk through. Home inspections are just as important in new construction as they are in resale. Obviously, buyers can't inspect a home that isn't built yet, but they can request an inspection prior to closing. In new construction, an inspector will make sure that all mechanical systems are working properly. They may also spot repairs that need to be added to the builder's punch list (a list of items that need to be completed before the home is delivered to the buyer). The buyer, not the seller, is responsible for hiring and paying the inspector.

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Earnest Money — Earnest money is a deposit, given by the buyer to the seller, which secures the contract until the closing. An initial deposit, usually in the form of a check, must be given to the seller or seller’s agent along with the contract and the balance of the earnest money is usually due upon attorney approval. Earnest money is typically held in an escrow account until the closing, when it may be applied to the down payment and/or closing costs. If the sale does not go through due to contingencies covered within the contract, then the earnest money may be returned to the buyer. However, if a buyer is in breach of contract, then a seller may be entitled to keep all or a portion of the earnest money.

Closing Date — One of the most important terms of a real estate contract is the closing date – the date when ownership changes hands. This is usually, but not always, the date that the seller must vacate, and the buyer may occupy the property. Flexibility on the closing date can give a buyer a big advantage over other potential buyers. Occasionally, it can also allow you to negotiate a lower price or other, more favorable terms.



COUNTER OFFERS

In many transactions, there is a fair amount of negotiation – offers and counteroffers – before both parties are satisfied. This is one aspect of a real estate transaction in which an agent is invaluable. Not only can I draw upon my experience and market knowledge to offer sound advice during a negotiation, but I can also serve as a buffer between you (the buyer) and the seller/seller's agent. Negotiating for a home can be a highly charged and emotional process. But the most emotional buyer will look like one cool customer behind the right agent, and in the end, you usually wind up with what is important to you.

FROM CONTRACT TO CLOSING

In a real estate transaction, there are dozens of loose ends to tie up between signing the contract and closing the sale. **The Garrett Group** is known for our attention to detail during this important phase in which we coordinate and oversee the following steps:

- ❖ Deposit earnest money with the seller's agent
- ❖ Recommend and schedule a home inspector and accompany the buyer on the inspection. It is always highly recommended that the buyer attends at least part of the inspection in order to make sure that any issues that come up are properly relayed.
- ❖ Obtain important documents, such as property disclosure forms (budget, declaration, etc.), and deliver them to the buyer.
- ❖ Recommend a mortgage broker and help expedite the loan-application process.
- ❖ Monitor all contingencies to ensure that they have been met
- ❖ Recommend service providers for moving, home-improvement and repairs
- ❖ Coordinate your closing. In addition, if you have an existing home to sell, I will customize a comprehensive marketing program to help you achieve the highest possible sales price in the shortest amount of time.



CLOSING

I will work closely with you, your lender, and the seller's agent to make sure everything is in place for a smooth and efficient closing. Typically, a day or two prior to the closing, your lender will forward all loan documentation to the title company and let you know the amount required to close. You will be responsible for wiring the balance of your down payment and closing costs (such as lender fees, title company fees, and state and city transfer taxes) to the title company in the form of a cashier's check, if the amount is below \$10,000.

****Note** I will never communicate any wiring instructions to you via email.** At the closing, you will be guided through the many documents you need to sign, including the closing disclosure, the deed, and the affidavit of title. My goal is to provide you with the information you need to feel confident at your closing. Myself, or a member of my team will be present at your closing to make sure it goes smoothly, and any questions are answered.

AFTER CLOSING

While your transaction is complete, our work is not. In fact, I maintain relationships with my clients long after closing. I'm always glad to help you find a variety of service providers and contractors to perform work on your home or make life a little easier. Please do not ever hesitate to call on me with any questions or concerns you may have after your closing!



The Advantages of Homeownership

A home is most likely the biggest purchase you will ever make, and it marks a major step in life. There is no scientific formula that tells someone when they are ready to buy, but you should take stock of your financial situation as well as your personal lifestyle. In general, there are a number of advantages to homeownership, both tangible and intangible, that you'll want to consider.

Investment - Every payment you make on your mortgage puts you one step closer to acquiring a major possession. And every improvement you make to your property not only enhances your way of life, but also adds value to your home.

Protection from Inflation - Once you purchase a home, the bulk of your housing costs are not exposed to inflation. That means your only housing expenses that will rise over time with inflation are property taxes, homeowner's insurance, and maintenance costs.

Equity - Because a home increases in value even as you are paying down your loan, most buyers effortlessly build equity. Equity creates wealth and can help you accomplish any number of financial goals, such as paying for retirement and funding a child's education.

Tax Advantages - Your real estate taxes and the interest on your mortgage are deductible from your income tax. For many buyers, that tax exemption can go a long way toward making home ownership just as affordable as renting.

Satisfaction - For many people, but certainly not all, home ownership simply makes life more enjoyable, whether it's the pride that comes from decorating and maintaining your home or the knowledge that your children will grow up in the neighborhood of your choice. Home ownership is still the American Dream.



Tips for First Time Homebuyers

Purchasing your first home is a big step, which comes with some very serious decisions. Many homebuyers are intimidated by the process, and continue renting much longer than they should, or need to. However, if you break the home buying process down into these simple steps, and follow these important tips, you will find the process less intimidating, and much more manageable.

Before You Begin, Ask Yourself One Question: Will you live in your next home for at least 2 years? If the answer is "Yes," you should probably purchase, rather than continue renting. With average appreciation, you will break even on your closing costs after 2 years and start making money at year three. Every year after that will put more money in your pocket!

Down Payment?! It always surprises me how many people want to purchase a home, but do not because they believe that a hefty down payment is required. **Zero down** programs have been very common over the last few years, and quickly become the norm. Unfortunately, the option of 100% financing is not really possible with today's credit crunch, you can still get into a property with **as little as 3-5% down**. Perfect credit is not required, I would be more than happy to discuss all the options with you.

Get Pre-Qualified- Pre-qualification is a very important step, and the step that first-time home buyers dread the most. Qualifying to buy a home is easy and requires relatively little work for you. Pre-qualification is what gives you buying power and allows you to make an offer on your dream home when you have found it. More importantly, pre-qualification will let you know how much your new home will REALLY cost - in monthly payments. A \$150,000 or \$300,000 home does not mean a lot to most buyers - but \$1200 per month and \$2500 per month are tangibles that everyone can understand. Pick your payment, and you know the price range to shop in.

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Make a List of "Must Haves" & "Wants"- Many new home buyers mistakenly think that they will "just know" when they "walk into the one." While some buyers DO fall instantly in love with a home, this is not the norm. You will find your search is easier, and you will be more confident in your decision, if you take a systematic approach to your search. The best way to organize your search is to make two lists: Your "must haves" and your "wants." Your "must haves" are the absolute necessities in your new home - in fact; you do not even need to view a home if it doesn't have every "must have." Great examples of your "must haves" are price, school district, size, etc... Make sure your "must haves" align with your preapproved price range. Your "wants" are the qualities that you would like for your new home to have, but it's not a necessity. Great examples of "wants" are color, flooring, kitchen appliances, surround sound, and type of exterior. By taking the time to articulate what you need and want in your new home, you will know exactly what to look for when viewing prospective homes.

Pick Your Favorite Locations- You can always make changes to your house, but you can never change its location. Most home buyers already have a good idea of where they would like to live because of school districts, work, or other factors. Take a drive through the different neighborhoods on the list your Real Estate Agent sends you, and choose your favorites. Pay attention to area amenities, how well the yards and common areas are kept, and if you see a lot of "for lease" signs - which can be an indication of a heavy rental area, and lacking in "pride of ownership." After you have picked your favorite location, and you know your "must haves" and "wants," you can literally make a list of EVERY home available that meets your criteria and view those homes.

Make Your Decision- Homebuyers often hesitate after they have found the right home because they're not confident about their decision or their decision-making process. Your home is probably the largest investment of your life and it is normal to feel butterflies in your stomach before putting your first home under contract. However, if you do your due diligence - and you have if you followed the steps above - then you will have your bases covered. If you have found a home that meets all of your "must haves," most of your "wants," is in the right neighborhood, and in your budget - it's the home for you! Don't wait and let another buyer take YOUR home! Buying your first home can seem very intimidating, but can be **extremely exciting**. If you think that buying a home is right for you, it probably is. Make sure and follow these important tips and you will know you made the right decision when you find your first home.



Real Estate Terminology

Adjustable Rate Mortgage- The interest rate tied to a financial index making the monthly mortgage payment go up or down over time

Annual Percentage Rate- The percent of interest that will be charged on a home loan

Appraisal- A report highlighting the estimated value of a property completed by a qualified 3rd party. This is typically done for the benefit of the buyer to ensure the property is worth what they are paying.

Association Fee/HOA Fee- In addition to a mortgage, certain housing communities such as townhomes have a monthly fee associated with maintaining the common areas and amenities

Balloon Mortgage- A long term mortgage loan that starts small but has a large payment due at maturity.

Closing- This is the final meeting where the buyer and seller sign the necessary paperwork, complete the transaction, and release/take possession of the property. Usually the representing agents and attorneys attend.

Closing Cost- The buyer and seller have expenses associated with the transaction other than that of the actual cost of the home. For example, the buyer has a variety of fees due for obtaining a new loan and the seller must pay commission to both agents.

Closing Disclosure- A form that provides the final details about the mortgage loan. It includes loan terms, projected monthly payments, and how much the extra fees will be.

Collateral- Something of value (in this case your home) that is held to ensure repayment of a mortgage or loan.

Commission- A percent of the sale price of the home that is paid to the agents. The seller pays commission to both the buyer and listing agent.

Comparables- Homes in the area of interest that have recently sold that have similar features.

Contingencies- Conditions which must be met in order to close. Contingencies are typically tied to a date, referred to as a deadline. If the contingency is not satisfied the contract may be cancelled.



Counteroffer- The response from the seller in regard to an offer

Debt to Income Ratio- A lender will look at a borrowers debt versus income to determine the amount of loan they are eligible for and if they can repay their debt plus the home loan

Down Payment- A percent of the cost of the property that is paid up front as a part of the Mortgage

Earnest Money- The deposit made from the buyer to the seller when submitting an offer. This deposit is typically held in trust by a third party. Upon closing the money will generally be applied to the down payment or closing cost.

Escrow- This term has multiple meanings; earnest money is typically held by a third party until closing in "escrow". It can also be referred to as the time period from when the contract is written and accepted by the seller to when the home sale actually closes

Equity- The difference in the market value of a home versus what is owed on the home.

FHA- A mortgage that is financed through a private lender and insured by the Federal Housing Administration, often requiring a lower down payment and income to qualify

Fixed Rate- The interest rate will remain the same for the entire life of the mortgage.

Home Equity Line of Credit- A loan or line of credit that is determined based on the equity or homes value after subtracting the loans owed.

Home Inspection- The process in which a professional inspects the seller's home for issues that are not openly apparent, then creates a report for the buyer to review.

Home Protection Plan- An annual service that covers the cost of repairs or replacements to items covered in the plan; items like stoves, washer/dryers, etc.

Hybrid- A loan that starts with a fixed rate period, then converts to an adjustable rate.

Mortgage Insurance- Insurance written in connection with a mortgage loan that protects the lender in the event the borrower cannot repay their loan. This is usually not required if the borrower has 20% or more for a down payment.

Mortgage Note- A promise to pay a sum of money at a standard interest rate during a specific term that is secured by a mortgage.



Multiple Listing Service (MLS)- The national list of real estate properties that are available for sale. These are the most reliable sources to receive up-to-date listing information.

Pre-Approval- The process in which a buyer must provide a mortgage professional the appropriate information on income, debts, and assets that will be used to make the initial credit only loan decision.

Pre-Qualification- Once approved for a loan, this is the process in which the maximum sale price, loan amount, and monthly payments are calculated for the borrow. This is not a loan approval however, it is useful to know prior to searching for a home.

Principal- The underlying amount of the loan which is actually borrowed

Property Taxes- These are the taxes that are enforced by the city, town, county, and state government entities. These taxes are included in the monthly mortgage payment and are held in escrow by the lender.

REO- Real estate owned properties or foreclosed properties currently owned by a financial institution such as the bank that made the loan to the previous owner

Reverse Mortgage- This is specifically for seniors and it allows them to convert the equity in their home to cash.

Short Sale- A situation when the seller's lender is willing to accept an offer and allows the sale to be completed for an amount less that the mortgage amount owed by the seller.

Title- A legal document proving current and proper ownership of the property. Also referred to as a Title Deed, this document highlights the history of property ownership and transfers.

Underwriting- The process in which the potential home buyer is evaluated for their financial ability to obtain and repay a loan. This normally consist of a credit check and appraisal of the property.

VA Loan- Loans that are given to Americans who have served in the armed forces. They are administered by the Department of Veteran Affairs.



Moving Checklist

One Month Before Moving

- Update driver, pet and other license data
- Gather moving supplies, boxes, tape and rope
- Call a moving company or make truck rental reservations
- Finalize real estate needs
- Place legal, medical and insurance records in a safe place
- Use the change of address form to tell your Post Office of your move
- Redirect newspaper and magazine subscriptions
- Inform family and friends of your upcoming move
- Notify banks, insurance companies, and other financial institutions
- Notify doctors, dentists, and other service providers
- Save moving receipts (many moving expenses are tax deductible; speak with your tax advisor about this)

Two Weeks Before Moving

- Inform gas, water, electric, local telephone, and trash removal services of your move
- Sign up for services at your new address

The Day Before Moving

- Set aside moving materials like tape measure, pocketknife, packing boxes, and markers
- Pick up rental truck
- Get plenty of rest!