



HOMEBUYER'S ESSENTIALS

Everything you need to know
about buying a home in 2020





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ABOUT US

Meet San Diego Brokerage

WHEN YOU PUT PEOPLE FIRST, REAL ESTATE IS EASY.

We know that homebuyers are people. With goals. Understanding your goals is the key to outcomes everyone's happy with. That's why we put people first. We take the time to understand your goals on a DNA-level, and help you formulate a simple, straightforward plan to reach them—all in a way that's smoother, smarter and more comfortable than you ever thought it could be. With zero mystery, zero pressure and unmatched results. Our community returns and refers us again and again because they know we put people—and their goals, first. Whether you're buying, selling or investing, we'd love the opportunity to put our experience, expertise and people-first approach to work for you. Our goals are simple, they're yours.



Meet Mary Smylie

Buying and selling a home is the biggest financial transaction most people will undertake in their lives. It can also be one of the most emotional. Hopes, dreams and memories are all intertwined with finances and goals and it is a huge undertaking! It is essential that you take the time to meet with a trustworthy Realtor® to discuss your real estate goals. Mary takes the time to understand your situation, explore your options and build the best strategy to accomplish your real estate goal. She also works diligently to exceed your expectation, with honesty and integrity, she will provide strategic advice and is with her clients every step of the way.

San Diego is a real estate hot spot, the location, weather and lifestyle contribute to a highly competitive and fast paced market with increasing home prices and very low levels of inventory. You need an agent who can analyze and understand the driving forces of the ever changing real estate market, provide expert guidance and strategy to achieve your real estate goals. Whether you are looking to buy a dream home, sell your home for top dollar, interested in investment opportunities or looking to leverage the equity you have built in your home to achieve other financial goals, Mary is the local, trustworthy and responsive realtor you will want to call.



HIRING AN AGENT

What to look for...

THERE ARE OVER 18,000 REALTORS IN SAN DIEGO COUNTY AND THEIR SKILL, EXPERIENCE AND STRATEGIES VARY WILDLY.

When you hire a real estate agent, you want to make a well-informed choice. Our advice? Choose someone who you can trust and relate to. They must have the proven experience to protect and promote your best interests. Of course, you'll want to work with someone who communicates clearly and consistently. Someone with great reviews online. And lastly, you'll want to hire someone with local market knowledge, excellent negotiation skills and concierge-level service.

San Diego Brokerage Sales Stats

WHO YOU WORK WITH MATTERS

18

years in
real estate

300+

real estate
transactions

Over

\$250M

total sales
volume

AS SEEN ON TV!

As a top producing real estate brokerage in San Diego County, we have been fortunate to win many awards and be featured on many tv, radio and internet programs. San Diego Brokerage has been inducted into the SDAR Circle of Excellence for 5 years running. We were also featured as a San Diego 'Top Agent' in Top Agent Magazine. We have appeared on ESPN Radio, Win This Listing, American Dream TV, Real Talk San Diego, List it Live and countless other productions.





BUYING TIMELINE





MORTGAGE PRE-APPROVAL

Pro Tips for Applying for a Home Loan

WITH SOME UP-FRONT PREPARATION YOU'LL BE PRIMED TO GET THE BEST DEAL POSSIBLE

It is always best to have a mortgage pre-approval in hand before you start shopping for homes. Once you have your mortgage application submitted and your credit is pulled, you will get a small hit to your credit from the inquiry. This is unavoidable but it is also a fairly minimal impact. My pro-tip? You can then apply with several other mortgage brokers and banks within a two week period without receiving another inquiry hit to your credit. Different lending institutions have different rules and guidelines, and their offerings will likely vary substantially. You are completely entitled to comparison shop for your mortgage. Gather the documents listed below before you talk to a lender and you'll find that the process will go quickly.



DOCUMENT CHECKLIST

- Income Information for past 2 years
- Most recent paystub
- Completed tax returns for past 2 years
- Documentation of other sources of income
- Bank Statements for past 2 months
- Documentation of assets such as investments
- ID such as Driver's License or Passport
- Social Security Number



SEARCHING FOR HOMES ONLINE

Spotting hidden gems and red flags...

1

INSPECT MEDIA CLOSELY

Looking closely at property photos and videos, you'll notice that there are some common tricks used. Pay close attention to photos with weird proportions or angles and unnatural filters - these can be misleading. Similarly note high-quality media and virtual tours these are good signs.

2

READ THE FINE=PRINT

Read between the lines of the property description - pay close attention to the verbiage used here. Don't rely on the property description alone for information about the property, all homes have more specific details reported in the fine print. Check lot size, room dimensions, etc...

3

DIG DEEPER ONLINE

Once you've identified a listing you like, many tools exist to help you gather more information on it. Start with checking google street view to explore the surrounding area. You'll also want to check school ratings with [greatschools.com](https://www.greatschools.com) and crime stats with [spotcrime.com](https://www.spotcrime.com).

4

NO PHOTOS, NO PROBLEM

Oftentimes a home will be submitted to the MLS for sale before the professional photos have been taken. If you catch a home like this that matches your criteria - run, don't walk - to get more info. This could be your chance to snap up a gem before anyone else notices it because of the lack of photos.

5

MAKE PROS/CONS LISTS

In all likelihood you will find more than one home that fits your criteria and vision for your new home. Keeping detailed notes on each home as you research and compile your preferences/drawbacks can be really helpful when it comes time to you compare various homes against each other. Bring these lists to all in-person showings.

6

AGENT RESEARCH

Your greatest asset in comparing various homes that you're interested in is your real estate agent. Your agent will contact the seller's agents on properties of interest to gather information that only the homeowner will have, as well as determine the sellers motivations and needs to make the sale happen.

Not all home search sites are equal...

HOW HOME SEARCH SITES WORK

The thing you really need to know before searching for a home online is that all home listings are required to be listed on the Multiple Listing Service or MLS - a database used by Realtors to list all relevant information about homes that are for sale. Most home search sites are built using web-crawlers to pull the public information about listed homes from the MLS and displaying them on their own sites. Sites like Zillow and Redfin are notorious for displaying inaccurate information. The most accurate and up-to-date information about homes for sale comes straight from the MLS, but only realtors have access to that tool and the listing details and photos are displayed in a way that is not the most user-friendly...

THE ONLINE SEARCH TOOLS SHOULD YOU USE

The best home search tool that I suggest people use is called Homesnap and it is the MLS's own tool that was made specifically for home seekers. Homesnap is an app with incredible search functions and is rich with user-friendly information. It updates when new homes hit the MLS immediately and you can set up alerts so that you're notified whenever a home like the one you're looking for hits the market. You can make notes and chat with your agent or friends/family about homes directly from the app which provides tons of information about school zones, property lines and much more. To download and enroll in Homesnap, follow the link below which will link our accounts so you can share information with me.

<https://www.homesnap.com/Mary-Smylie>



HOME SHOWINGS

Making the most of the time at properties



OPEN HOUSES

If you're out at open houses or touring new construction, tell the new home sales rep or the host of the open house that you have an agent and give them my contact info, which keeps you from receiving unwanted sales pitches and keeps them from surreptitiously creating an agency relationship with you.



KEEPING GOOD NOTES

The need for keeping good notes when viewing homes can not be over-emphasized. You will likely see many homes online and in person and they can all start to run together. You will forget details so take notes and photos to help you make your decision when the time comes.



NOTING DETAILS

When you're viewing a property, you want to take the approach of an inspector - keeping an eye out for any potential issues such as water stains on the ceilings or cracks in the foundation and take note of them to discuss later. It's also the time to note perks and features you love.



PROPERTY DATA NOT FLYERS

When you're viewing homes, there will often be fliers or websites available for potential home buyers. Remember that these items are primarily marketing for the agent and will not contain all the pertinent facts. Keep your property data from your agent handy for in-depth information.



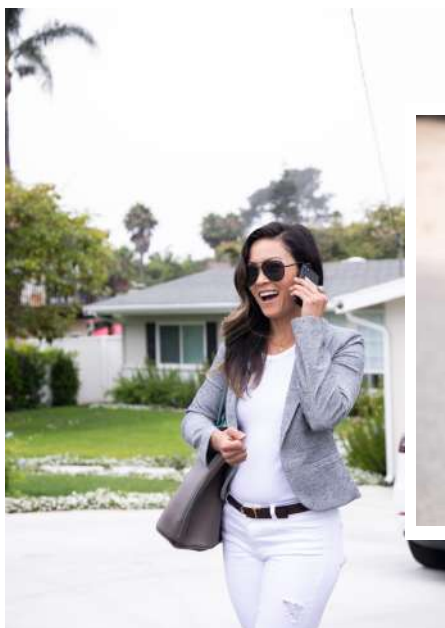
PRACTICAL VS. EMOTIONAL

Everyone approaches their home search differently and family members often have differing opinions. It is important to weigh the practical with the emotional aspects. A home is a place that needs to suit your needs and make you feel comfortable.



KEEPING QUIET

Lastly, remember to wait until you've left a property to discuss your opinions, especially praise and criticism. With more and more tech installed in homes, you will often find that there are cameras and devices present that could be transmitting your conversation to the seller.





LOW INVENTORY MARKETS

When the home you want isn't for sale...

HOW WE ADDRESS SAN DIEGO'S CHRONICALLY LOW HOUSING INVENTORY

If you have a specific neighborhood or even street that you're interested in, you could be waiting quite a while for something that suits your needs to become available. Realtors can be a great resource in this scenario. For my clients who are experiencing this problem, I have several strategies to hunt down any homes that might potentially become available in the near future.



BROKER NETWORKING

It is important for industry professionals to be well networked within the real estate community. I speak to other real estate agents and industry professionals every day and am able to inquire about listings they have coming down the pipeline that have not hit the market.



THINK OUTSIDE THE BOX

Something that a home search website can't do for you is think outside of the box; that's a real estate agent's job. If your home search parameters aren't yielding results, it may be time to take a look at homes that could be right for you - with some reconfiguring and other work. This may not be the home search you imagined, but it could help you to find your perfect home.



INVESTOR PIPELINES

Seller's agents are the only parties with information on homes that will be available for sale in the near future. We also maintain close connections with local investors who own home currently under renovation that will be ready for sale soon.



BUYER NEED MAILINGS

Something that we do at San Diego Brokerage that is uniquely special is what we call "buyer need campaigns." This is my tool to drum up "secret inventory." We proactively identify homes that are a fit for our buyers but have not been listed for sale. We talk with those homeowners directly to be sure our buyers aren't missing out on a home that might be available soon.

WHEN TO EMPLOY THESE STRATEGIES

These are just a few ways that an innovative real estate agent can help you in a low inventory market, but there are countless other strategies that we employ to help get you into the home you're dreaming of. If you're searching in a very specific neighborhood or have very specific requirements, you may find that you've been house-hunting for months without results. The sooner these strategies are employed, the better chance you have of finding the perfect home. These strategies are our go-to methods in a tight market, but there are many situations in which they are helpful and should be assessed by you and your agent as soon as your home search begins.



HOW WE WRITE STRONG OFFERS

The 5 Elements of a Strong Offer

IT ALL DEPENDS ON YOUR GOALS - AND THE SELLERS POSITION

When you've finally found a home that you hope to purchase, the next step in the process is to make an offer. The way your offer is written is the most important element of making a first impression with the seller - this is important in establishing a strong rapport and friendly negotiations. This can be complicated to navigate - after all, no seller wants to receive a low-ball offer and no buyer wants to overpay. The best thing your agent can do is speak with the sellers agent and determine their preferences and motivations, so you can keep them in mind when crafting your offer.

1

THE
FINANCIALS

First and foremost, you'll need to determine how much you're willing to offer to pay for the property. The asking price is the price the Seller and their agent believe the home should sell for. Your offer price is the price you feel the home is worth based on recent comparable sales, condition of the home and your financials. You will also need to determine how much to offer as an 'Earnest Money Deposit,' which is the deposit held in escrow in good faith on the buyer's behalf.

2

SELLER
COSTS

The purchase contract in California is a standard form written by California Association of Realtors attorneys. There is a section of the contract devoted to allocation of costs for the buyer and seller respectively. Many of these cost allocations are customarily paid by one party or the other, but in general the fewer costs you ask to be covered by the seller, the happier they'll be. These costs could include: reports and inspections, a home warranty, transfer and escrow fees and more.

3

FULL PRE-
APPROVAL

The only offers that most sellers will even consider are offers that include full mortgage pre-approval letters from reputable lenders and documentation referred to as "proof of funds," which indicates that you have the assets available to complete the home purchase. This documentation proves to the seller that not only do you want to purchase the property, but you are financially able and ready to complete the purchase if they choose to accept your offer.

4

TERMS &
TIMELINE

You'll need to determine details of the offer such as the closing timeline and other terms of the offer like inspection and appraisal contingencies and timelines. There are several types of contract contingencies that may be in place such as an inspection contingency, an appraisal contingency, a loan contingency or a contingency for the sale of the buyers property. These are common but the timelines vary and can affect your closing timeline, so make sure they align with yours and the seller's priorities.

5

PUT YOUR
BEST FOOT
FORWARD

Finally, make sure you are putting your best foot forward. Do not offer substantially less than the home is actually worth in yours and your agent's opinion. Make sure you understand the sellers' needs and motivations and write an offer with those in mind in order to impress the seller and make them consider your offer strongly. You may also want to consider writing a letter to the seller detailing what you love about their home, why you see yourself there and how you plan to care for the property long term; it's a small gesture that can make a big impression with some sellers.



HOW THE CONTRACT WORKS

The 6 Stages Leading to Closing

1

COUNTER OFFERS AND ACCEPTANCE

Once you've made an offer on a home, the offer will be reviewed by the seller and their agent. They will either accept your offer the way it's written or they will send a counter offer and you will negotiate until you reach a deal. Everyone accepts the contract terms and you wire your deposit.

3

INSPECTIONS & REPAIR NEGOTIATIONS

While the reports and disclosures are being ordered and reviewed, you will also likely be having routine inspections performed - things like a general home inspection, a termite inspection and others. Once the inspections have been completed you may ask the seller for repairs to be performed or for a credit for repairs needed. This is open to negotiation and an agreement is reached.

5

FINAL APPROVAL

If you are financing the purchase of the property, once the appraisal comes in and all details have been gathered by the lender, your file will be submitted for final underwriting and once all conditions are satisfied, you will be issued a final loan approval moving you one step closer to closing on your new home.

2

SELLER DISCLOSURES

Once an offer has been accepted, you enter the due-dilligence phase of the contract. This is when the seller will complete state-required seller disclosures as well as provide any reports, such as a natural hazards disclosure, agreed upon in the contract. You will be reviewing these documents and ordering reports of your own.

4

APPRAISAL

Unless the property is being paid for in cash, there will need to be a professional appraisal performed, which is ordered by the mortgage lending institution and performed by a neutral third party appraiser. Depending on whether there is a contingency and if the appraisal comes in at value, there may be another round of negotiations and then the appraisal contingency is removed.

6

CLOSING

Finally, all negotiations are complete and contract contingencies have been removed. Your escrow company will be arranging for your loan (if any) to be funded and final paperwork to be notarized. Once all contract terms have been satisfied and all money has changed hands, escrow will release the file for recording at the city to the title company and you will have officially closed on the purchase of your home!



INSPECTIONS/APPRaisal

Avoiding a Money Pit

GETTING AHEAD OF ANY POTENTIAL ISSUES

Real estate transactions in San Diego last for an average of 30 days and all real estate contracts are required by law to include time and accommodations for the buyers to do their 'due-diligence,' which includes research, physical inspections and mandatory seller disclosures. We have safety nets in place to protect home buyers during this information gathering phase. We use contract contingencies, otherwise known as escape clauses, that allow a home buyer to withdraw their offer and cancel a home purchase contract if unexpected information is discovered during the due-diligence period. Sellers are also required to disclose all known material facts about the home. Your agent will help you to interpret the various reports and disclosure documents you receive and help you navigate the need for additional reports such as chimney and roof inspections and engineering reports, if necessary. If there are any warranties on any systems or appliances in the home we will help you track them down and make sure they are transferred to you with the home.



TYPICAL REPORTS

- Seller Property Questionnaire
- Transfer Disclosure Statement
- Seller Disclosures
- Pest/Termite Report
- Home Inspection Report
- Natural Hazards Report
- Insurance Loss Report
- Any Additional Inspections



TITLE/ESCROW

Escrow

A NEUTRAL THIRD PARTY TO ADMINSTRATE THE SALE

Buyers and sellers of a piece of property establish terms and conditions for the transfer of ownership of the property as laid out in the contract. This contract is given to a third party known as the escrow holder. In turn, the escrow holder has the responsibility of ensuring that the terms of the escrow are carried out. The escrow is an independent neutral account and the vehicle by which the mutual instructions of all parties of the transaction are complied with. Whether you are the buyer or seller, you want to assure that no funds or property will change hands until all instructions have been followed. With the increasing complexity of business, law and tax structures, it takes a trained professional to supervise the transaction. The length of an escrow is determined by the terms of the purchase agreement and can range from a few days to several months.

The escrow is a depository for all monies, instructions and documents necessary for the sale/purchase of a home, including: the funds for down payment, the buyer's lender funds and the seller's deed for the house. Prior to closing, the escrow holder is instructed to deliver the monies to the seller once the escrow holder has delivered the deed to the title company to be recorded and has received confirmation of the recording of the transfer of ownership of the home.

Title

INSURANCE THAT PROTECTS THE OWNERSHIP RIGHTS TO A PROPERTY

The purchase of a home is often the largest single investment people will make in their lifetimes; therefore, the importance of protecting such an investment cannot be emphasized enough. Title insurance is protection which assures that the rights and interests to the property are as expected, that the transfer of ownership is smoothly completed and that the new owner receives protection from future claims against the property.

Because land endures over generations and often transfers hands many times, many people may develop rights and claims to a particular property. The current owner's rights - which often involve family and heirs - may be obscure. There may be other parties (such as government agencies, public utilities, lenders or private contractors) who also have "rights" to the property. These interests limit the title of any buyer.

When escrow is opened, a title report will be ordered and the title officer will perform a title search on the property. So long as the title to the property is able to be cleared at the closing of escrow, a statement of information will be collected from the new buyer of the property and it will be submitted to the title officer. At closing, the escrow holder will authorize the recording of the transfer of ownership on the property at which time the title officer will write the title policy and deliver the transfer deed to the city to be recorded. Once confirmation of the recording is received by the title and escrow representatives, the sale is complete and the property has officially changed hands.



CLOSING COSTS

What is Included



BUYERS ESCROW AND TITLE FEES

Both buyers and sellers pay escrow and title insurance fees. It is customary in San Diego for buyers and sellers to pay their own respective fees and to split any shared expenses 50/50.



FLOOD CERTIFICATION

While in escrow, your property will be analyzed for flood risks and issued what's called a "flood cert" in the industry. This will notify you of your risk of flooding and help you determine whether to purchase flood insurance and if so, how much.



PROPERTY TAXES

Since property taxes are calculated on an annual basis, both the buyer and the seller will owe a prorated portion of that year's property tax. The amount the new buyer will owe is estimated and included in the closing costs. The buyer will often receive a supplementary tax bill for the same year once the property has been re-assessed at its current value.



RECORDING FEE

When ownership of a property is transferred, the record of the change of title must be officially recorded with the County via your title company. There is a fee associated with the official recording of this document that will be included in your closing costs.



UNDERWRITING FEE

If you are using a mortgage to purchase your property, your mortgage application will be submitted to a file underwriter who is neutral third party hired to review your complete mortgage application and make recommendations to the bank about your loan. The fee for this service is paid by the buyer at closing.



MISCELLANEOUS FEES

These fees include: courier fees, notary fees, appraisal fees, mortgage insurance fees if applicable, funding fees if applicable, homeowners insurance premiums, mortgage application and credit check fees if applicable and any other fees or costs that you have agreed to.



AFTER THE SALE

What to do once the home is yours

AT SOME POINT IN THE NEAR FUTURE, ALL OF THE COMPLICATION OF THE HOME BUYING PROCESS WILL BE BEHIND YOU...

Soon you'll have the keys, the sign will be removed from the front yard and all your belongings will be moved in. The buying process will feel like a whirlwind of paperwork and decisions and then all at once you'll be settling into your new home. Whether this is your first home or your fifth, the first year of owning a new home can bring a lot of surprises. Your tax situation will likely be impacted (hopefully positively) by your home purchase, there's paperwork and warranties to organize, you need to get to know your new house and get set up with services. This checklist will help you keep organized as a new homeowner. Even if you've owned a home before, it's worth a look.



CHECKLIST

- Locate water and gas main shut-offs
- Change locks
- Change your address
- Meet with your CPA or tax professional
- Hire pest control and gardeners
- Register pets and update their tags and microchips
- Meet the neighbors and join the neighborhood watch and NextDoor
- Create an annual home maintenance list



REAL ESTATE CYCLES

Where are we in the Real Estate Cycle

THE REAL ESTATE MARKET IS CONSTANTLY SHIFTING, MOVING IN A CYCLE WITH PHASES LASTING AROUND 5 YEARS

Many homebuyers seek to maximize their investment by taking advantage of real estate cycles. The idea is to buy when prices are low and sell when they're high. Since the end of the Great Recession, news cycles and industry pros are constantly attempting to predict the next cycle shift. Different areas can move these cycles at different times, so it's important when timing the purchase of a home to understand where the market is nationally as well as in your neighborhood, and strategize accordingly.

Phase 1

ECONOMIC EXPANSION

When businesses are growing and consumers are buying, the housing market tends to boom. Buyers flood the market and housing prices go up. It becomes a seller's market, as properties are frequently overbid.

Phase 2

HYPER-SUPPLY

At some point, either developers overbuild or consumers can no longer afford the sky-high home prices. Houses sit vacant on the market much longer.

Phase 4

RECOVERY

Eventually, property prices fall enough to lure buyers and investors back to the market. So begins the cycle again.

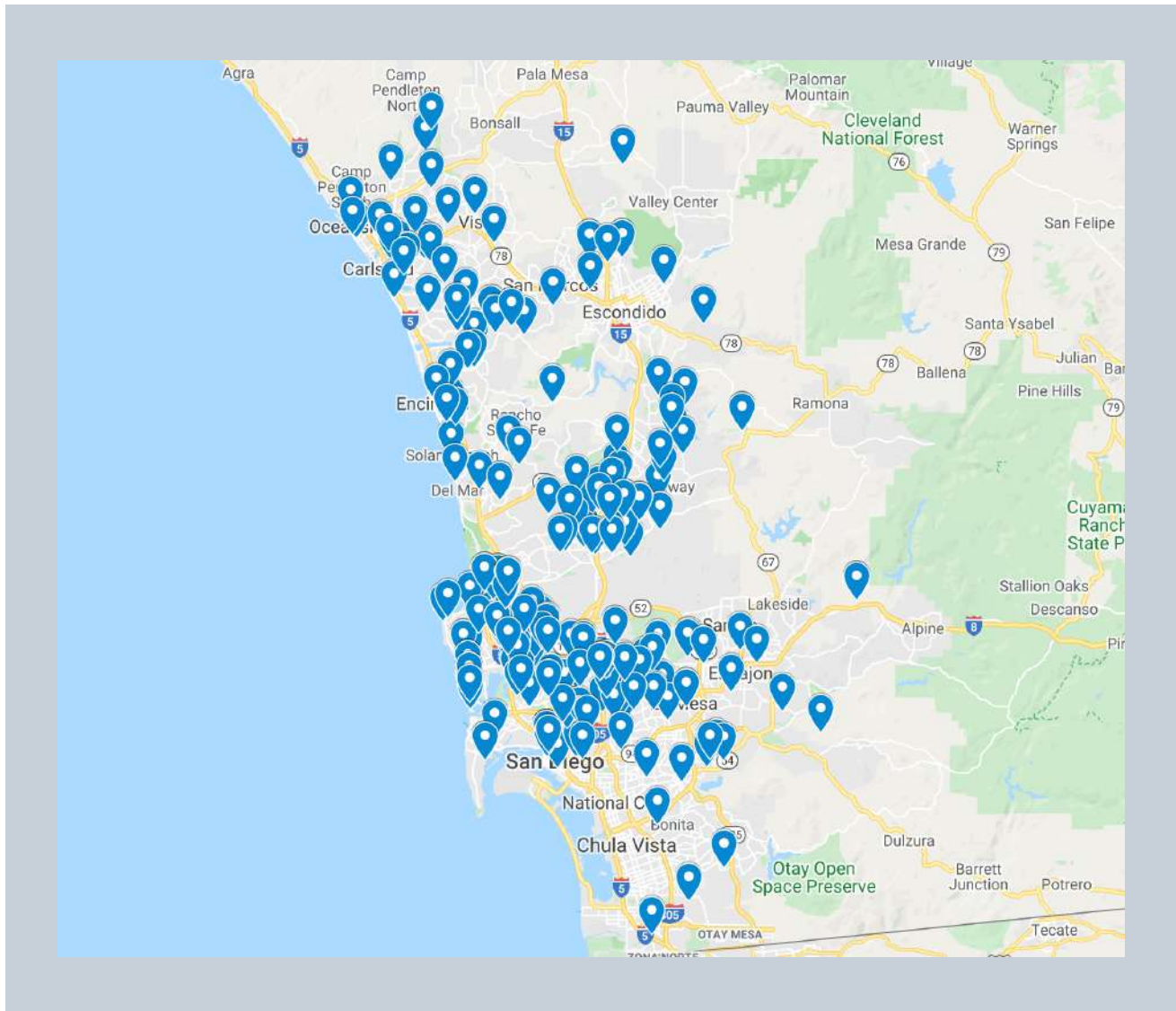
Phase 3

RECESSION

A combination of factors such as high housing costs, rising interest rates or a cooling economy contributes to a housing slow down. Homeowners find their mortgages underwater and walk away. We begin to see an uptick in foreclosures during this cycle.



PAST SALES MAP



Over 300 Sales in San Diego

YOUR PLAN, OUR EXPERTISE

San Diego Brokerage has served hundreds of individuals and families in almost 2 decades of San Diego real estate sales. With nothing but dozens of 5-star reviews and a business built on our referrals, we would love the opportunity to serve you, as well. "Our goals are simple, they're yours."



TESTIMONIALS

Mary has been a godsend to my family...

Always professional showing up with a smile on her face making us feel as though there was no where else she would rather be. We have nit picked and changed our minds more times than I care to remember and Mary is always so warm and understanding never making us feel anything other than her priority. Mary has a gift for listening to the details of what we are looking for in our home, a natural way of communication and patience is her virtue. We feel so lucky to have found her and will recommend her to our closest and dearest friends and family.

Mary was amazing!

She was able to get the sellers to agree to an offer contingent on the sale of our house and was able to sell our old house within 10 days to meet the requirements made by the sellers of the house we purchased. It was a whirlwind process but Mary's organizational skills and management of the process got us through everything. We love our new house!

Mary has been wonderful...

She was very patient and understanding when it came to exactly what my husband and I were looking for in a house and the price value we were willing to spend. She understood what we needed in our house and was always willing to go above and beyond to help us find our perfect home! She made the entire process much easier. Without her I would not have been able to pull through this stressful time

Mary Smylie is a dedicated professional...

She is very responsive and returns calls or texts in a timely manner. She is easy to talk with and understands what you are looking for. She takes time to patiently show properties and has good advice in the negotiating process. I would recommend Mary highly to my friends and family. I am so happy that we met Mary when we first moved to Oceanside.