



NOVA

REAL ESTATE SERVICES

Home Buyer's Guide

**EVERYTHING YOU NEED TO
KNOW FOR BUYING A HOME**

Covid-19 Action Plan

Buying or Selling Property in a Pandemic

Whether you've been a party to a real estate transaction before, or you've simply seen the process on TV, it is likely that some of your notions of how the process of buying or selling real estate will go may look a little different than expected in the wake of the COVID-19 pandemic. We have new national and state recommendations and best practices in place to keep our clients safe and healthy during this time. Many of these adaptations have the unintended and fortunate side-effect of streamlining formerly manual and time-consuming processes to make the entire process of buying or selling a home more convenient. Here is our 8-point plan to promote the wellbeing of our clients:



1 VIRTUAL TOURS

First and foremost, we are leveraging virtual tour technology to be sure that a property can be thoroughly screened by all parties before they ever enter a home.

2 DIGITAL MARKETING

We have discontinued the use of physical handouts like flyers and rack cards in properties in favor of making digital information, like personalized property websites accessible.

3 E-SIGNATURES

In the past, many documents required physical signatures during the course of a real estate transaction. We have transitioned to allow for digital signatures whenever possible.

4 PHYSICAL DISTANCE

In order to reduce the need for in-person meetings for all parties, we have adapted our practices to rely on video conferencing, live online tours and other distance-friendly methods.

5 WEAR MASKS

When in-home visits are necessary, we require the use of masks and encourage the use of gloves and shoe coverings to reduce everyone's exposure.

6 WASH HANDS

New guidelines require the use of hand washing and hand sanitizer upon entry and before touching surfaces whenever a property is shown in person.

7 MINIMAL TOUCHES

Doors and closets will be left open and features made accessible so that all visitors can avoid touching surfaces in a home as much as possible.

8 SANITIZE SURFACES

After a property is entered, for a showing or inspection, the agent, homeowner or other professional on site will sanitize all surfaces, handrails, etc...



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About Us

NOVA is a real estate company designed to empower you to achieve your goals and realize your dreams. We orbit around you, creating opportunities for education & guidance in perfect gravity, getting you exactly where you want to be. Designed by a top 1% broker here in Southern California, NOVA propels you to find your place in the world and forge wealth in real estate. You are at the center of our universe.



Meet Our Founder

Harry Solomon has been in the real estate game for over four decades and was a top 1% agent in Orange County for 8 consecutive years. Throughout his career, Harry has handled transactions on over a thousand properties, meaning he has the know-how to create value and a win-win situation for both home buyers and sellers. Venturing out of retirement to create NOVA Real Estate Services Inc., Harry formulated a unique agency business model that is dedicated to providing an environment for company growth, as well as exceptional service and value to home buyers and sellers.

Hiring an Agent

What to Look For..

There are literally thousands of real estate agents making their mark in Southern California. What is going to make your buying experience stand out? Someone who you have on speed dial to talk through your anxieties and excitement throughout the buying experience? Someone who will hold your hand when the gravity of a real estate transaction pulls you away from reality? Someone you can connect with, trust, and rely on-- always.

At NOVA, we recruit and cultivate agents with outstanding market knowledge, killer communication skills, masterful marketing smarts, and second-to-none negotiation savvy.



Buying Timeline



Mortgage Preapproval

Tips for an Out-of-this-World Home Loan Application

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-- just the way the stars align. But it's also a fairly minimal impact. 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. Win! 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. Come on-- if you're comparison-shopping for a power drill or pair of fancy shoes, you deserve to take the time to make the right choice 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
- ✓ Document 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

Following shooting stars and dodging asteroids

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 and crime stats with 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 your agent's own website because it is linked to the MLS's own tool that was made specifically for home seekers. You will find this tool to have incredible search functions and be 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 to chat about with your agent or friends/family. It provides tons of information about school zones, property lines and much more. To enroll in, follow the link below which will notify me that you've enrolled so we can share information.

<https://www.novareservices.com>

Home Showings

Make the most of your time at your potential future home

• 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 your agent's contact info, which keeps you from receiving unwanted sales pitches and keeps them from surreptitiously creating an agency relationship with you.

• 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, like 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. This is your opportunity to research all the tiny details.

• 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. Time to put on your poker face.

• Practical vs. Emotional

Everyone approaches their home search differently, and just like shopping for a wedding dress or choosing your next vehicle, family members often have differing opinions. It is important to weigh the practical with the emotional. A home is a place that needs to suit your needs and make you feel comfortable.

• Keeping Good Notes

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

• Property Data-- Not Fliers

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



Low Inventory Markets

What to do when the home of your dreams isn't for sale

If you have a specific neighborhood-- or even street-- in mind that you're interested in shopping, you could be waiting quite a while for the perfect fit to become available. Realtors can be a great resource in this scenario.

Here are 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. Thanks, LinkedIn! At NOVA, we speak with other real estate agents and industry professionals every day and are able to inquire about listings they have coming down the pipeline that have not hit the market.

* Investor pipelines

Seller's agents aren't 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 homes currently under renovation that will be ready for the market soon. We've got the scoop.

* Thinking outside the box

Something a home search website can't do for you is think outside the box-- that's your agent's job. If your search parameters aren't yielding results, it may be time to take a different approach and look at some homes that could be right for you outside of what you originally imagined. While this puts you a little out of your comfort zone, it could help you find your perfect home.

* Buyer needs mailings

A special strategy we employ at NOVA is what we call "buyer need campaigns." This is a tool to drum up "secret inventory." We proactively identify homes that are a good fit for our buyers buy 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 handful of ways an innovative and thoughtful agent can help you in a low inventory market. There are countless other strategies we employ to help get you into the perfect home, as well. If you've been searching in a very specific neighborhood or have very specific requirements, you may find that you've been house-hunting for months without results. It's awesome to have high standards, and your agent will help connect you with your shining star sale in due time. The sooner these strategies are employed, the better chance you have of finding what you need.

Writing Strong Offers

The 5 Elements of a Strong Offer

This is the most important element of making a first impression with the seller, establishing a strong rapport and win-win negotiations. It's the dating profile of home buying! 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 seller's agent and determine preferences and motivations to keep in mind while writing your offer.

1.

THE FINANCIALS

Let's get down to it: the biggest piece of this puzzle is the money. 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 finances. 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 during the transaction.

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, as well as documentation referred to as "proof of funds," which indicates you have the assets available to complete the purchase. This documentation proves to the seller that, yes you want to purchase the property, but also that you are financially able and ready to do so, if they accept your offer.

4.

TERMS & TIMELINE

You'll need to determine details of the offer, such as the closing timeline and other terms, like inspection and appraisal contingencies and timelines. There are several types of contract contingencies that may be in place, like an inspection contingency, an appraisal contingency, a loan contingency or a contingency for the sale of the buyer's 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.

ONE SMALL STEP FOR HOME BUYERS

Make sure you're 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 seller's needs and motivations and write an offer with those in mind. You want 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. Flex those cover letter muscles!

How the Contract Works

You've done the hard part and cleared the atmosphere, and your spaceship... er, offer, has launched into orbit. Now it's time to enter the process of Closing. Here are six stages of closing on the home of your dreams.



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. Once you come to an agreement, everyone accepts the contract terms and you wire your deposit to the escrow holder.

2. Seller disclosures

Once an offer has been accepted, you enter the due-diligence 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.

3. Inspections & repair negotiations

While the reports and disclosures are likely being ordered and reviewed, you will also likely be having routine inspections performed; things like a general home inspection, a pest 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.

4. Appraisal

Unless the property is being paid for in cash, there will need to be a professional appraisal of value performed. This 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.

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. Once all conditions are satisfied, you will be issued a final loan approval moving you one step closer to closing on your new home. Woo hoo!

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. You will have officially closed on the purchase of your home! Pop that bubbly!

Inspections

You just bought a house, now don't fall into a money pit

Real estate transactions in California 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 helping to administrate 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**. 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 ensure 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 a lifetime; therefore, the importance of protecting such an investment cannot be overstressed. **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's included?

1.

*BUYERS ESCROW
AND TITLE FEES*

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

2.

*FLOOD
CERTIFICATION*

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

3.

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.

4.

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.

5.

*UNDERWRITING
FEE*

If you are using a mortgage to purchase your property, your mortgage application will be submitted to a file underwriter who is a 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.

6.

*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

The house is yours! Now what?

At some point in the near future, all the complications of the home buying process will be behind you.

Soon you'll have the keys, the sign will be removed from the yard, and all your belongings will be moved in. You'll be picking out the candle for your entryway, the new paint swatches for the living room, all the fun stuff you've been building a Pinterest board around. 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 (invest in a filing cabinet now). You need to get to know your new house and set it up with services (it takes on a life of its own!) This checklist will help you keep organized as a new homeowner.

Checklist:

- ✓ Locate water and gas main shut-offs
 - ✓ Change locks
 - ✓ Change your address with UPS, IRS, DMV and all financial institutions
 - ✓ Meet with your CPA or tax professional
 - ✓ Hire pest control and gardeners
 - ✓ Register pets and update their tags and microchips
 - ✓ Create an annual home maintenance list
- Meet the neighbors and join the neighborhood watch, community social media groups and NextDoor



Real Estate Cycles

The Phases of Real Estate

Many sellers 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 may move through these cycles at different rates, so it's important to think about the local and national market when timing the strategic sale of your home.

PHASE 2: HYPER SUPPLY

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

PHASE 1: ECONOMIC EXPANSION

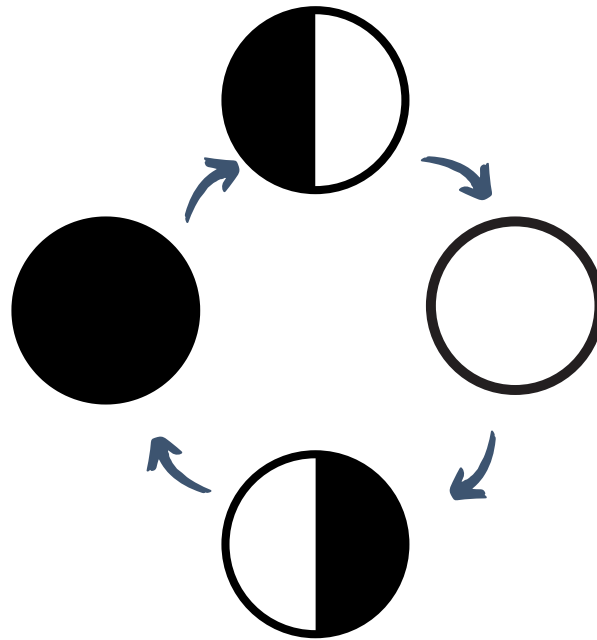
When businesses are growing and consumers are buying, the housing market tends to boom. Buyers flood the market and housing prices go up. It becomes a seller's market, as properties are frequently overbid.

PHASE 3: RECESSION

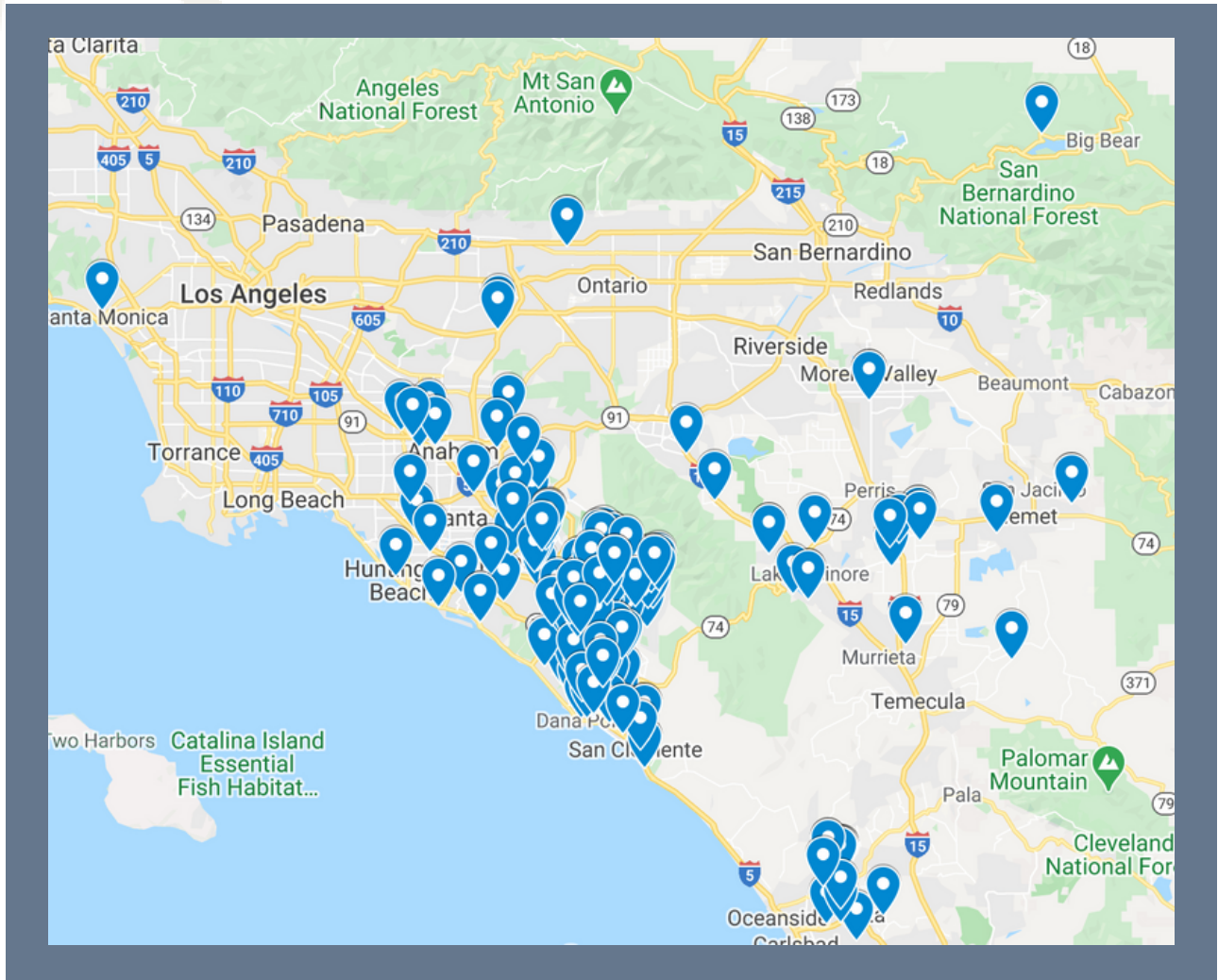
A combination of factors such as high housing costs, rising interest rates or a cooling economy contributes to a housing slowdown. Homeowners find their mortgages underwater and walk away. We see begin to see an uptick in foreclosures.

PHASE 4: RECOVERY

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



Past Sales Map



**Over 300 Recent Sales in
Southern California**

Testimonials

“Our NOVA agent is not only knowledgeable about the entire home buying process, she is also extremely **supportive** and **responsive**. She asked all of our questions and was with us every step of the way. She kept all things on track so we were never confused about what was happening. Our agent has *vital connections* in the real estate industry and uses those connections to offer us the best service possible. We cannot recommend her enough, and we could not have found our dream house without her.”

-Amanda & Clurie Anderson

My husband and I bought our first home back in June and could not be more pleased with our NOVA agent's professionalism and attention to detail. Showing houses and dealing with the logistics of the real estate business in the midst of a pandemic is no laughing matter, and we were truly blessed to have him in our corner to help us find the perfect place, to navigate any unexpected obstacles in escrow, and to smoothly handle any issues with the seller's terms before our move-in date. The real estate market in SoCal has gotten *hot* as of late, so we really appreciated his attention to deadlines and all the minutiae that come with home-buying. A lesser agent would likely not have been able to close the deal on our home before it was snapped up by another buyer. Furthermore, all his recommendations in his vast network of contacts (contractors, loan officer, etc) have done excellent work. If you're looking for an experienced, diligent, personable real estate agent, the NOVA team is your best bet.

-Kaitlyn Farley & Austin Byrd