

The background features a repeating pattern of circles in various colors (green, red, orange, purple). Each circle contains two horizontal lines, resembling a stylized 'H' or a simplified representation of a house. The circles are arranged in a grid-like fashion, with some overlapping.

Homebuyer Education

Section 6

Shopping for a Home

What to Shop for and Who can Help

Who's who in Oklahoma Real Estate

- Real Estate Brokers, Real Estate Sales Professionals or Consultants, Real Estate Licensees
 - Broker is licensed by the State; practices through a brokerage firm.
 - Sales personnel are licensed and must work under supervision of broker. This person is the agent of the broker.
 - Realists are members of the National Association of Real Estate Brokers
 - Realtors are members of the National Association of Realtors



All Brokers have mandatory duties and responsibilities which may not be waived or abrogated.

- Treat all parties with honesty, exercising reasonable skill and care.
- Inform in writing the party for whom it is providing services when an offer is made.
- Keep informed the party for who services are performed
- Timely accounting for all money and property
- Disclose information pertaining to the property required by the Residential Property Condition Disclosure Act
- Timely accounting for all money and property received by the broker
- Comply with all requirements of the Oklahoma Real Estate License Code
- When working with both parties to a transaction these duties remain in place for both parties



What Real Estate Professionals Can Do for You

- Help determine how much a house you can afford
- Review your needs and preferences and find potential properties
- Give you written sheets and show photo/web pages about potential properties
- Make arrangements with sellers and show you houses that interest you
- Provide information about the house: size, average utility bills
- Give information about neighborhood, taxes, schools, and public services
- Suggest possible lenders
- Help coordinate inspections, appraisals, and closing

Paying for Real Estate Professionals' Services

- Traditionally real estate brokers are paid a commission
- If two licensees are involved, traditionally they split the commission
- Real estate brokers may charge fees in addition to the commission
- Some sellers seek to avoid paying commission by doing a FSBO- For Sale By Owner

Ways to Find a Real Estate Broker

- Ask someone who has purchased recently for a referral
- Ask around in groups you belongs to; someone may be a broker
- Go through Open Houses or Parades of Homes and talk to real estate professionals
- Notice names of salespersons on signs in the neighborhoods you like

Ways to check on a Real Estate Professional

- Ask for the references
- Check with the state real estate commission for any record of problems
- Check with your local Better Business Bureau

What to Look for in a Real Estate Professional

- An interest in your needs
- A willingness to work with you until your needs are fulfilled
- Someone familiar with the area that interests you
- Someone who has experience in your price range
- A sense of professionalism
- Professional affiliations and designations
- Good references from recent buyers



Questions to Ask

- How long have you been selling real estate?
- Are you in real estate full time?
- How many home sales did you participate in last year?
- What is the average price of the homes you sold last year?

Being a good Client

- Remember most real estate professionals get paid only when a sale is made
- Make sure you tell your representative any “extra steps” that may be involved
- There is room for a lot of confusion because each property has a sale representative

Being a Smart Client

- Remember YOU are in charge
- Things to consider when telling a real estate consultant what you want
- Neighborhoods have a life cycle
- Never let a real estate professional direct you to a particular neighborhood

Deciding What you Want

- Remember to involve everyone in the household
- Things to Consider
 - Inside the house
 - Exterior features of the house
- When determining possible neighborhoods that interest you,
 - drive around
 - Research price ranges and opportunities in the newspaper
 - Check out internet websites for the area
 - Browse through “Open Houses”

Deciding What You Want

- Consider what you can afford. Housing cost should be around 35% of your take home pay
- New vs. Existing Houses
 - Existing house advantages
 - Existing house disadvantages
 - New house advantages
 - New house disadvantages
- Manufactured housing
- To finance as real estate
- Best approach may be to handle as new construction

Most first-time buyers purchase existing houses

Types of Homes

- Single-family Dwelling
- Duplex, Triplex, or Fourplex
 - 2, 3, or 4, attached residences on the same lot
- Condominiums
 - You own the home and a portion of the common areas
- Cooperatives
 - A group of residences where you own shares



Special Considerations

Accessibility

Consider when you are shopping how accessible your house is

- Is there a ground level entry door? If not, can a ramp be built?
- Are outside doors 36" wide?
- Are the halls at least 36" wide?
- Are there bedrooms on the main entry level or are they all upstairs?
- Are electrical outlets 18" off the floor?
- Is there room to maneuver with a walker or wheelchair in the bathrooms?
- Are there walls built in a way that support rails can be added?

Hazards

- Lead based paint
- Asbestos fibers inhaled into the lungs can cause cancer
- Mold and mildew
- Abandoned oil fields, tanks, and pipelines are common in Oklahoma
- Radon is a colorless, odorless gas found naturally in rocks
- Attractive nuisances: open water, creeks, rocks, cliffs, wildlife, livestock, pools etc

Making an Offer: The first Real Commitment

Deciding It's the House for You

- Ask for the residential property disclosure or disclaimer for the property
 - A disclosure or disclaimer is required by Oklahoma law on ALL real estate sales
 - You must receive it prior to signing a contract of sale
 - Review it carefully and take a second look at any items of interest
- Go back and look a second time at houses you think you want to purchase
 - Take a list of things the inspector looks for
 - Review your wants and needs
 - Estimate expenses for repairs and replacements
 - Estimate utilities and maintenance
- Double check the neighborhood
 - Well maintained?
 - What are property values doing?
 - Does it have the services you want?

Making an Offer: The first Real Commitment

Deciding What to Offer

-Houses have lots of different prices and values

- Listing/Asking price
- Byers price range
- Sale price
- Market Value/ Appraised Value
- Assessed Value

-You must balance what you can afford and best guess of what seller will accept

- Need to assess who will pay for accessibility modifications
- Specify when modifications can be made to the property in contract

-Objective value is the Market or Appraised Value determined by the appraiser

- Appraisal not be done until after you make offer
- Try to approximate it
- Calculate price per square foot of similar houses and compare
- Remember, lender wont loan more than a percentage of appraised value

Submitting the offer and counteroffers

- Purchase offer is legally binding contract between the buyer and seller
- Usually done through real estate professionals who have standardized forms
 - Buyer and seller do not usually negotiate directly
 - If no real estate professionals are involved, hire an attorney
 - Sellers representatives cannot help negotiate, but can fill our contract
 - Transaction representatives cannot help negotiate, but can fill our contract
 - Buyers representative works to get best deal for you
 - Can help you negotiate

What offers include

- Contingency clauses describe conditions that must be met for sale
- Response time-the seller must answer the offer by a specified time
- Seller Responses
 - Seller may sign and accept offer
 - Seller may make counteroffer



Federal Fair Housing Act (Fair Housing, Fair Insurance)

- The federal fair housing act prohibits taking any action or making any decision in the sale of a house based on race, color, national origin, religion, sex, familial status, or handicap
- Things prohibited
 - Refusing to negotiate a sale
 - Making housing unavailable
 - Discriminating in the appraisal of the dwelling
 - Offering different terms or conditions for the loan
 - Refusing to make a loan
 - Refusing to provide information on loans
 - Refusing to sell to someone who has made a bona fide offer
 - Discriminating in residential real estate transactions or brokerage services

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Exemptions from the Fair Housing Act

- A single family dwelling being sold by the owner with the following provisions:
Once in a 24 month period
- Owner does not own more than three single-family dwellings at a time
- Owner has no interest in the proceeds from the sale of more than three units at once
- House is sold without help from any agent (salesperson, employee, real estate professional)
- House is sold without publishing, posting or mailing any ad or written notice that violates the Fair Housing Act
- Rooms or units in buildings housing no more than 4 families if the owner actually lives in the building
- Non-commercial building owned by a religious entity or controlled in conjunction with a religious entity may give preference to persons of the same religion if the religious group does not limit membership by race, color, or national origin