



FREQUENTLY ASKED QUESTIONS FROM BUYERS

FAQ PART I

Q : How much does it cost to work with you as a buyer? What does it cost for buyer representation?

A : Real estate agents are paid from the transaction, with no direct, out of pocket expense to a buyer.

Q : How important to obtain a pre approval?

A : An important step in making an offer is to determine how you will purchase the property - will you be obtaining a mortgage or are you paying cash? Most homebuyers will finance a purchase of this size so the first step in the process, even before seriously beginning your search, is to speak with a lender and have them prepare a pre approval letter for you.

Q : What are the steps to make an offer?

A : All offers must be in writing and our team will work with you to prepare offers with the terms that suit your needs best. Although the most obvious "term" is the purchase price, the following are also important components of the offer and all of these will be taken into consideration by sellers evaluating your offer:

- Closing Date
- Earnest money
- Closing cost credits
- Financing terms
- Property tax prorations
- Home Warranty
- Are you willing to accept the home "as-is"? This does not mean you won't have a professional inspection but does suggest you won't ask for the seller to make repairs or provide credits for issues identified during the inspection.

Q : What should I offer? How much should I offer?

A : Hughes Home Team agents will provide pricing for comparable homes on the market and comparable homes recently sold and closed to help you decide on an offer price. A seller can accept, reject or counter an offer.

Q : Can sellers pull off the deal if they have accepted your offer and the property is under contract?

A : Under certain conditions, the real estate contract can be canceled by either party.



FAQ PART II

Q : Where does the earnest money go?

A : It is part of the down payment. Earnest money is held in a secure escrow account. Earnest money is applied to down payment funds at closing.

Q : What is the fastest timeline to close?

A : If you have cash, possibly cash. 60-90 days. What is the timeline for closing and is the timeline shorter if buying with cash? The usual and customary timeline for closing is 30 days to 60 days. Cash offers can close in 30 days or less, offers with financing may close in 30 days or more.

Q : Why is Zestimate different from the actual home price value or asking price?

A : A Zestimate is a computer generated price, much different than a market analysis created by an experienced broker.

Q : I have to make a choice between an updated home in an older neighborhood or a newer home in a more modern neighborhood. The home in the older neighborhood has almost everything I want and is much larger, but which makes the most sense as an investment?

A : Finding the home that is just right is a very personal choice. You may find that you like the feel of an older, established neighborhood with mature trees and homes in a variety of architectural styles. Older and charming homes all done up with new updates are ***always*** a popular choice. Newer construction is often found in its own neighborhood. Choose new construction if you have a preference for planned developments, subdivisions, that are dedicated to residences.

Q : How much earnest money should be and what's the purpose?

A : The amount of earnest money is negotiable, but is typically in the range of up to 5%. Earnest money will be held in a secure escrow account until closing, when it is used as part of the down payment. Make sure to know it's not just a deposit that's held - it's actually cashed/withdrawn from the bank account.

Q : Can I pay the earnest money in two installments instead of one?

A : Yes, installment payments can give you the time to get your funds in ready cash.

Q : What if the home I'm buying doesn't appraise at the purchase price?

A : There are options, including the seller and buyer re-negotiating the contract price to the appraised value, or you the buyer may make a larger down payment.

FAQ PART III

Q : Why do I need an attorney and how much does it cost?

A : In Illinois, it's usual and customary for both buyer and seller to have attorney representation. Hughes Home Team will provide a list of recommended attorneys who charge a flat fee.

Q : Why does a seller care if I put down 5% or 20%?

A : Lenders prefer larger down payments over smaller down payments.

Q : What's the deal with seepage in the basement and when should I be worried about it?

A : Seepage is both a health issue and a safety issue. Seepage can cause conditions like mold and bacteria growth.

Q : The house has copper plumbing but the water main to the street is LEAD.

A : Lake Michigan water feeds through lead pipes from the filtration plant to the cities and towns served. Hughes Home Team agents recommend our clients install reverse osmosis filters at sink and tub spigots.

Q : When is a home warranty a good idea?

A : A home warranty is most important with used appliances.

Q : What is a price escalation rider and when should it be used?

A : A price escalation rider may be used in multiple offers. It's a strategy to negotiate a higher price on the spot to win the deal.

Q : What is property tax proration and why does it matter?

A : Real Estate taxes are paid in arrears in Illinois. Buyers receive a credit from sellers for taxes that are DUE but not yet BILLED. The tax credit is calculated from the most recent full year bill, and is broken down to a daily or per diem number. You, as the buyer, will receive a credit for all outstanding taxes, you in turn are responsible for payment of the taxes once the bill comes out.

Q : How soon after contract do we need to schedule the inspection?

A : Plan on scheduling the professional home inspection(s) as soon as possible, keeping in mind that notice to the seller of inspection deficiencies must be delivered within 5 business days after contract acceptance.

FAQ PART IV

Q : What does As-Is mean and how is that different from waiving an inspection?

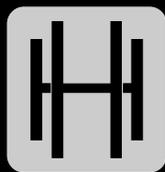
A : As-Is terms shield the seller from making repairs. As-is terms are often seen for estate owned real estate and third party owned real estate. You, as the buyer, are encouraged to schedule an inspection.

Q : What happens if we find issues at the inspection?

A : What are valid inspection issues and what is considered unreasonable to ask a seller to repair? The inspection typically does not cover minor repairs, like a missing door stop, and routine maintenance items. Inspection issues and how they are acknowledged and addressed or corrected are up for discussion between the buyer and seller.

Do you have more questions?
Feel free to reach out agents@hhtrealestate.com





HUGHES HOME TEAM



LEIGH ANN HUGHES
MICHELE BARRON
VICTORIA ATKINS

COMPASS

<https://www.hhthomes.com> | agents@hhthomes.com | 708.666.8700

1010 LAKE ST. SUITE 200, OAK PARK, IL 60301