HUFF
• REALTY •
A Berkshire Hathaway Affiliate

HOME BUYER'S GUIDE

PRESENTED BY:

Cathy Musgrave, REALTOR® | 859-653-2409 | cmusgrave@huff.com

"Finding a home is not a selection process... it is an elimination process."

CONTENTS

1 WHY BUY A HOME NOW?

2 A GOOD INVESTMENT

3 TODAY'S HOME BUYERS

4 WHY YOU NEED AN AGENT

5 HOME FINANCING FIRST

7 A HISTORIC TIME TO BUY

8 HOW MUCH CAN I AFFORD?

9 HOME SEARCH

11 PROPERTY WATCH

12 MARKET WATCH

13 MOBILE APP

14 6 REASONS TO HIRE AN AGENT

15 THE BUYER'S JOURNEY

17 ABOUT HUFF REALTY

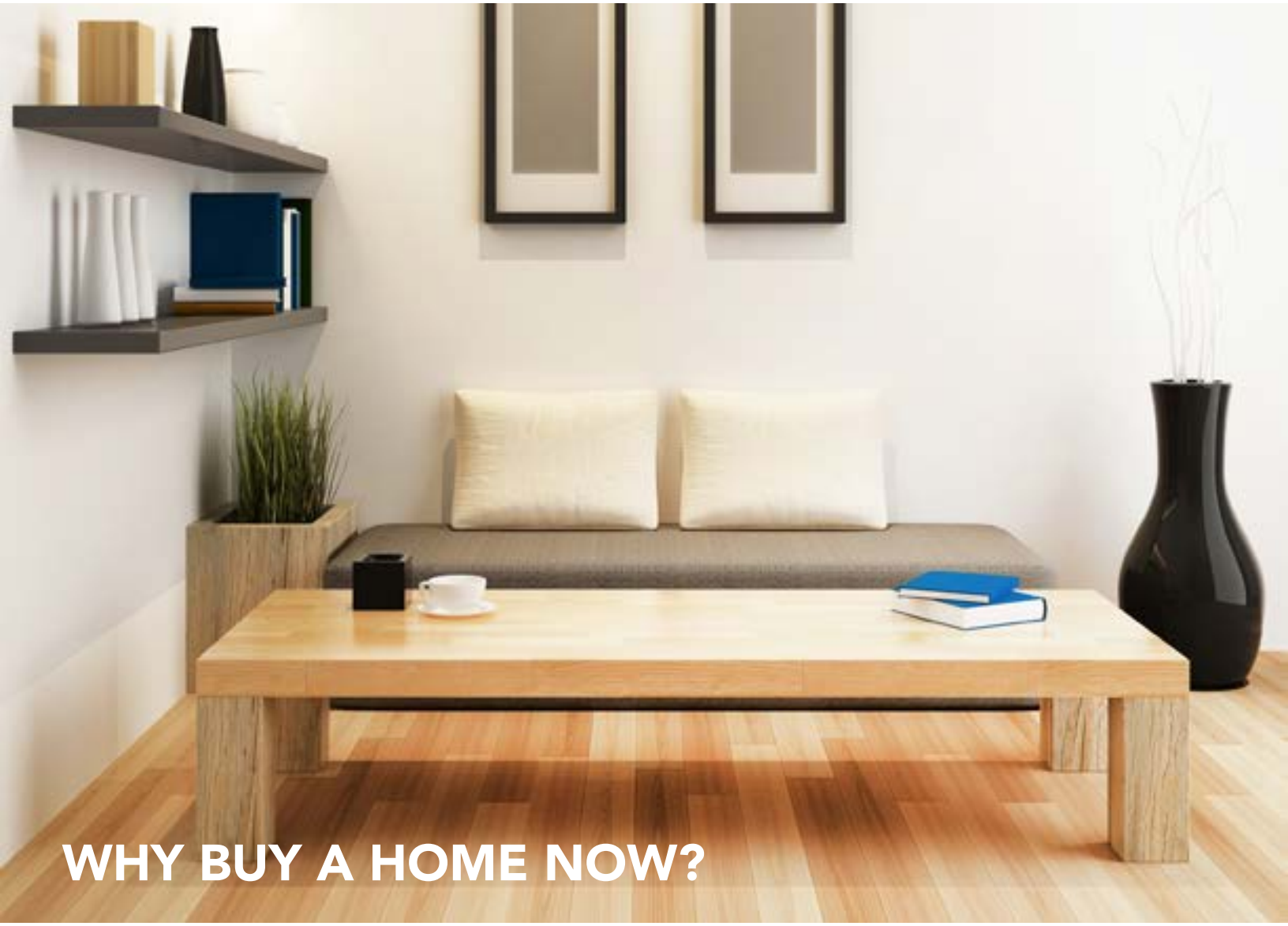
Cathy Musgrave
859-653-2409
cmusgrave@huff.com
www.cathymusgrave.com

HUFF REALTY
A Berkshire Hathaway Affiliate

SOURCES USED IN THIS GUIDE:

1 National Association of REALTORS®
2 Zillow Group | Consumer Housing Trends Report 2016
3 Realtor.com
4 Core Logic | Home Price Index
5 Federal Reserve, Open Market Committee
6 2015 American Community Survey

EQUAL HOUSING OPPORTUNITY REALTOR® Leading REAL ESTATE COMPANIES OF THE WORLD® HMS HOME WARRANTY HomeServices Lending LLC HUFF REALTY INSURANCE



WHY BUY A HOME NOW?

HOME PRICES WILL CONTINUE TO RISE IN THE COMING YEAR

Home prices continued their upward trend in 2016 and are forecasted to continue rising in 2017. Looking forward to next year, nationwide home prices are expected to climb another 5% in many parts of the country. [4]

MORTGAGE INTEREST RATES ARE EXPECTED TO INCREASE

Even a small increase in interest rates can put a dent in your buying power. By the end of 2017, expect the average 30-year fixed rate mortgage to rise to 4.5%. [5]

BUY OR RENT, YOU ARE PAYING A MORTGAGE

Homeowners and renters both pay a mortgage payment each month, however the one renters pay isn't theirs. Buy a home to build your own wealth instead of your landlord's!

RENTS CONTINUE TO RISE ACROSS THE COUNTRY

Rents are accelerating at a more rapid pace than home prices making it more affordable to buy a home in more than three-quarters of the U.S. than it is to rent. [3]

BUYING A HOME: A GOOD INVESTMENT

45X greater networth for a typical homeowner

The National Association of Realtors' (NAR) Chief Economist, Lawrence Yun projected that in 2016 the net worth of a typical homeowner will be 45 times greater than a typical renter.

Think about how home values have increased over the past 30 years. The median price for a single-family home in the U.S. 30 years ago was $75,500. In 2016, it was $220,000. So after 30 years—the typical length of a mortgage loan—a person's wealth would include that $220,000, plus they are no longer facing a mortgage payment (or rent payment).

CINCINNATI'S RENT GROWTH IS THE NATION'S 4TH HIGHEST

Rents in the Greater Cincinnati metropolitan area are expected to rise 5.2 percent through August 2017, which is more than three times the national average of 1.7 percent.[2]

43% have excessive housing burden due to high rent[3]

About 43 percent of renters in Greater Cincinnati spend 30 percent or more of their monthly income on rent.[6] In the city of Cincinnati, an estimated 48 percent of renters spend 30 percent or more of their monthly income. The 30 percent figure has traditionally been used as a threshold for determining whether a person has an excessive housing cost burden.

BENEFITS OF HOMEOWNERSHIP

Equity buildup (savings)

Tax incentives

Usually a good investment

More stable costs from year to year

Privacy

Pride in ownership

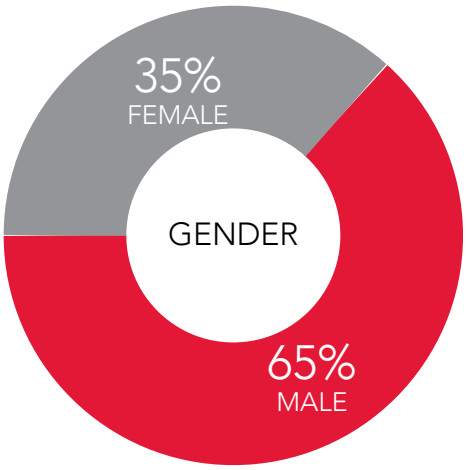
Strong community ties

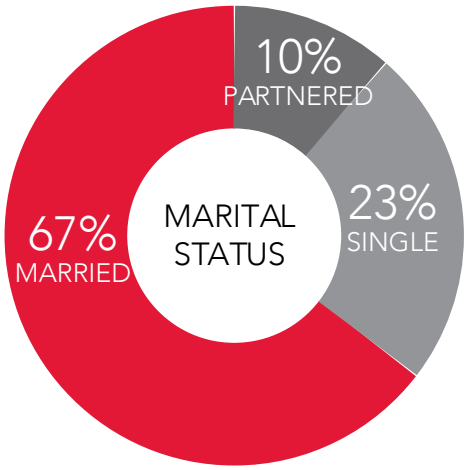
TODAY'S BUYERS ARE

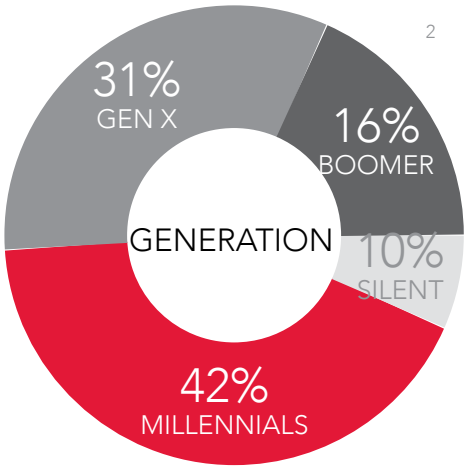
YOUNG

EDUCATED

DIVERSE







2

The typical homebuyer is in their mid-to-late 30s or early 40s, married, college educated and looking for a single-family home. While most buyers are married, single and partenered buyers make up more than a quarter of all home buyers.

Detached single family homes continue to be the most common type of home for recent buyers at 83 percent, followed by 20 percent of buyers choosing townhomes and 13 percent choosing condos.

47%
of buyers are first-time home buyers.

83%
of buyers purchase a single-family home.

67%
of first-time buyers cite the desire to own a home of one's own as the reason for purchasing.[1]

REAL ESTATE AGENTS ARE

EXPERTS

NEGOTIATORS

WORKING FOR YOU

YOU NEED AN EXPERT

A real estate transaction can be an incredibly complex journey loaded with unexpected bumps and turns. You need a true expert to guide you down the best path and through the dangerous pitfalls that may come up. A real estate professional knows the market and will work with you to understand your wants and needs and work in your best interest, saving you time, money, and definitely many, many headaches.

88% of buyers would use and/or recommend their agent to others. Buyers have typically recommended their agent at least once since their purchase.[1]

A SKILLED NEGOTIATOR

As a buyer in today's market, having a talented negotiator working for you could save you thousands, perhaps even tens of thousands of dollars. After you submit your initial offer there could possibly be multiple renegotiations after the home inspection or appraisal. You will want someone who can keep the deal together until it closes.

SOMEONE WORKING FOR YOU!

A buyer's agent works for the buyer, not the seller, and puts the buyer's interests ahead of anyone else's interests. A full-service real estate professional will spend time getting to know your wants and needs and providing property information, comparable sales analysis, and community and tax information. A buyer's agent can obtain a copy of a home's historical documents, schedule and attend home inspections for you, answer any of your questions or concerns about a report or contract, and more. The bottom line--a real estate professional can provide you with the knowledge and service you need to be confident and comfortable in your buying decisions.

COSTS YOU NOTHING

One of the biggest misconceptions home buyers have is that they will have to pay their agent's commission. In most cases, the seller has to pay the 3% commission to the agent for bringing them the buyer, as well as pay 3% commission to their own agent for listing and marketing the home.

So as a buyer, using a REALTOR® costs you little or nothing.*

**Select brokerages charge additional fees for services. HUFF Realty, a full service brokerage, charges buyers a $199 administration fee at closing.*

GET FINANCING FIRST

Getting pre-approved for home financing early in the buying process is commonplace. Unlike pre-qualification, which is simply a quick estimate of your borrowing potential, pre-approval is a formal approval of a specific mortgage amount - typically the maximum you can borrow. And you'll receive a Good Faith Estimate of your closing expenses. By initiating the mortgage process early, you'll know exactly how much house you can afford, and you'll have an edge over other buyers in multiple-offer or negotiating situations.

CLICK HERE TO LEARN MORE ABOUT
THE MORTGAGE PROCESS

73%
of buyers found a lender through a financial institution

69%
of buyers found a lender through a referral

SPEAK TO A REPUTABLE LENDER

There are many kinds of mortgages available with different rates and features. Meeting with a reputable loan officer will help you navigate through all the options.

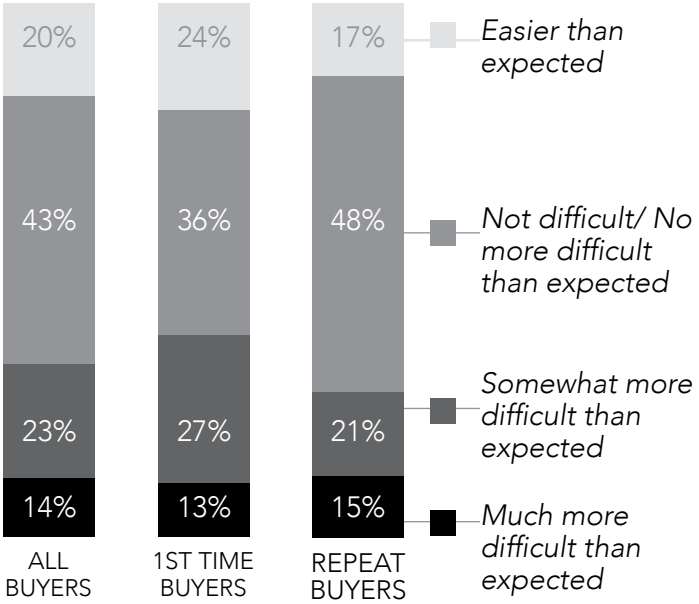
"Your agent can help guide you through the financing process."

FULL SERVICE BROKERS

Some brokerages, like HUFF Realty, offer affiliated real estate services including mortgage. While this one-stop concept can streamline the buying process, there are frequently other settlement service providers available with similar services. You are free to shop around to determine that you are receiving the best services and the best rate for these services.

77%
of buyers get pre-approved from a lender before finding a home.[2]

HOW BUYERS FELT ABOUT THE MORTGAGE APPLICATION & APPROVAL PROCESS[1]



DETERMINING YOUR ELIGIBILITY

CREDIT SCORE

Your credit score is a major factor lenders use in determining your eligibility for a home loan. Maintaining a strong credit score will earn you the most favorable mortgage rates. If your credit score is not strong you can still get approved but might now qualify for today's lowest rates.

DEBT-TO-INCOME RATIO

Mortgage lenders require that your total monthly debt including car loans, credit card bills, and student loans be no more than 36 percent of your gross monthly income. This is your debt-to-income ratio. If your ratio is too high, consider paying down high interest credit cards to get below the required limits.

DOWN PAYMENT

It's a good idea to approach lenders with a down payment in hand. One of the mortgage requirements that determines your eligibility for mortgage loans is your loan-to-value ratio (LTV). The more favorable the ratio of how much the property is worth to the amount you're borrowing, the more qualified you become.

YOUR MONTHLY MORTGAGE PAYMENT

When you own a home, your fiscal responsibility goes deeper than just making monthly principal + interest payments to the bank. Real estate taxes and homeowners insurance are due, too.

Principal and interest payments are typically due monthly to your lender; real estate taxes are due to your local taxing authority; and homeowners insurance is due to your insurer.

MORTGAGE PAYMENT BREAKDOWN

Your total monthly housing is calculated as follows :

- Your monthly mortgage principal payment
- Your monthly mortgage interest payment
- Your annual real estate tax bill*
- Your annual homeowners insurance bill*

**pro-rated monthly*

CLICK HERE TO FOR THE MORTGAGE
PAYMENT CALCULATOR

Collectively, these elements -- principal, interest, taxes, insurance - are known as PITI. *(pronounced "pee-eye-tee-eye")*

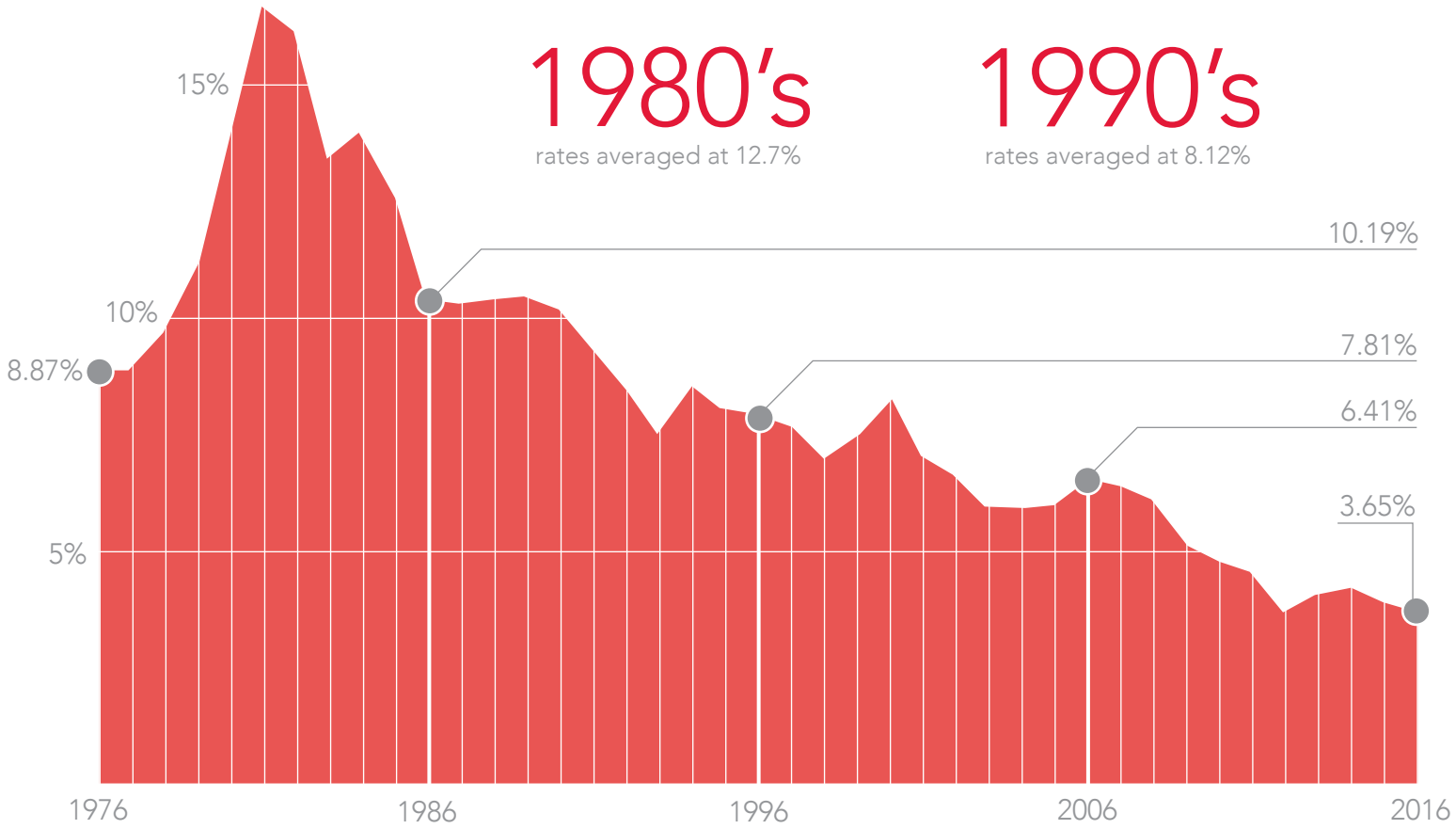
The elements that make up a mortgage payment vary from day-to-day, and from home-to-home. This is because mortgage rates change daily, which change a home's principal + interest payment, and because every home's tax bill and insurance bill are different.

A home in storm-heavy Miami, Florida, for example, will typically cost more to insure than a home in Cincinnati, Ohio. The same is true for a home in the San Francisco Bay Area which may be more susceptible to natural disaster than a home in Florence, Kentucky.

MORTGAGE ESCROW

Mortgage escrow is when a mortgaged homeowner sends 1/12 of its annual real estate tax bill and hazard insurance premium to its mortgage lender each month along with the regularly scheduled mortgage payment. The lender collects mortgage escrow payments monthly, then distributes them to the homeowner's county assessor and insurance company semi-annually, respectively, when the payments come due.

A HISTORIC TIME TO BUY



BUY NOW OR WAIT?

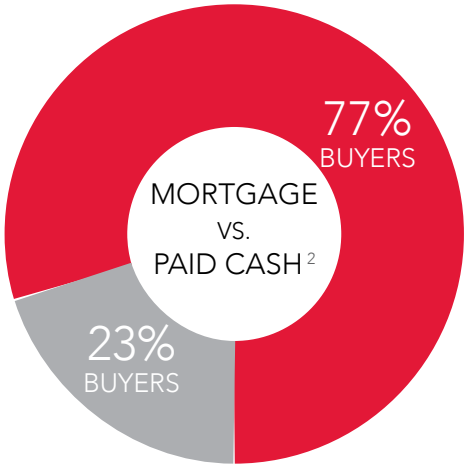
Considering that most pros think mortgage rates will slightly increase or remain about the same without going lower in 2017, loan candidates who are serious about purchasing a home should act sooner than later.

Prices continue to rise in most areas. Even a small price increase of five percent, coupled with an interest rate that is one eighth to one half percent higher than they are today, can cost a home buyer thousands of dollars.

We must keep in mind that while rates aren't their all time lowest, they are still very far from historic highs.

So even if you may have missed the lowest mortgage rates ever offered, you can still get a much better rate than than 10, 20 and 30 years ago.

"Today's mortgage rates are in a rock-bottom range. If you're ready to buy a home, there's no time like the present."



HOW MUCH CAN I AFFORD?

When buying a home, your lender will look at your income, assets, and down payment. They'll also want to know about your liabilities and other financial obligations. This includes things like credit card debt, auto loans, student loans, child support, taxes and insurance—all which impact the size of the loan you can afford. This is called your "debt-to-income ratio".

Once you know the ratio, you'll be able to calculate your maximum monthly payment you can afford for your home's mortgage, insurance, and property taxes.

Online mortgage calculators can help you determine what priced home you can afford based on that information and current interest rates. If rates go down your buying power increases, but if rates go up your buying power will go down.

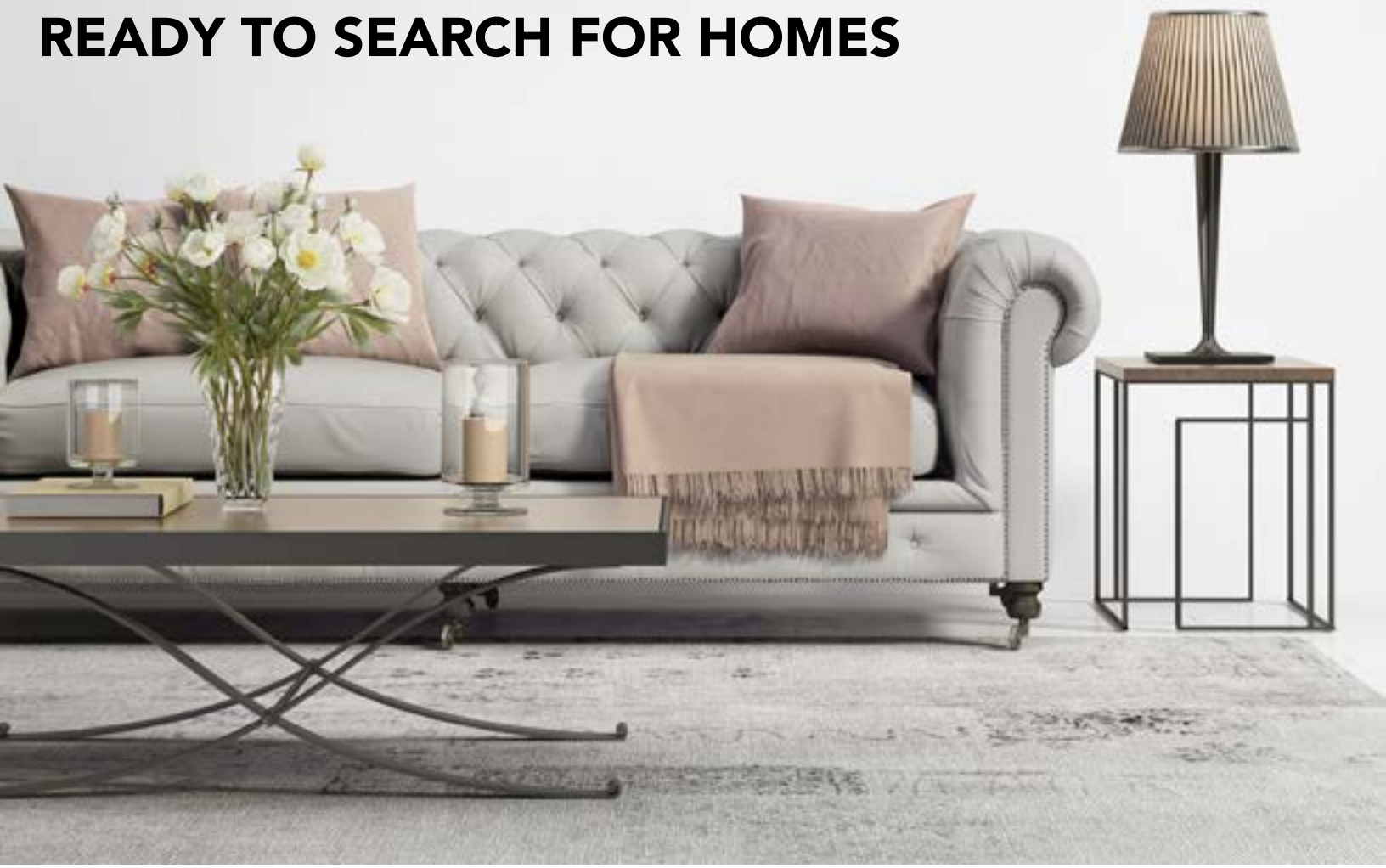
CLICK HERE FOR THE
AFFORDABILITY CALCULATOR

TOTAL DEBT
÷
TOTAL INCOME
=
DEBT-TO-INCOME RATIO

RENT VS. BUY

If you are renting and think you can't afford a home... THINK AGAIN! Buying costs significantly less than renting! The percentage of income needed to rent is nearly double than the percentage needed to buy! And rents are, in fact, rising while buying a home is becoming more affordable.

READY TO SEARCH FOR HOMES



ONLINE AND AGENTS TOP THE LIST

The majority of buyers rely on both online resources and guidance from a real estate agent during their home search. This suggests that most buyers combine the self-directed research using websites and apps with the market expertise and human touch offered by a real estate professional. In fact, buyers who utilize online resources during their search are more likely to also use an agent. (77 percent versus 59 percent who do not use online resources).[2]

"Buyers enhance home search by utilizing a real estate professional in conjuction with self-directed research."

WHERE BUYERS FOUND THE HOME THEY PURCHASED

- 51% Internet
- 34% Real Estate Agent
- 8% Yard Sign
- 4% Friend/Relative
- 2% Home Builder
- 1% Print Advertising

90% of buyers who used the internet to search for homes bought their home through an agent[1]

[1] Zillow Group | [2] National Association of REALTORS

BEGIN YOUR SEARCH ON HUFF.COM

"If the property is listed in a local MLS then you can find it on HUFF.com."

CLICK HERE TO VISIT
HUFF.COM

ALL LOCAL MLS LISTINGS CAN BE FOUND ON HUFF.COM

HUFF.com provides all the local MLS listings that are currently available throughout the Greater Cincinnati area regardless of which broker or agent has listed the property. If the property is listed in the local MLS then you can find it on HUFF.com.

"National sites like Zillow do not have access to all available Greater Cincinnati listings."

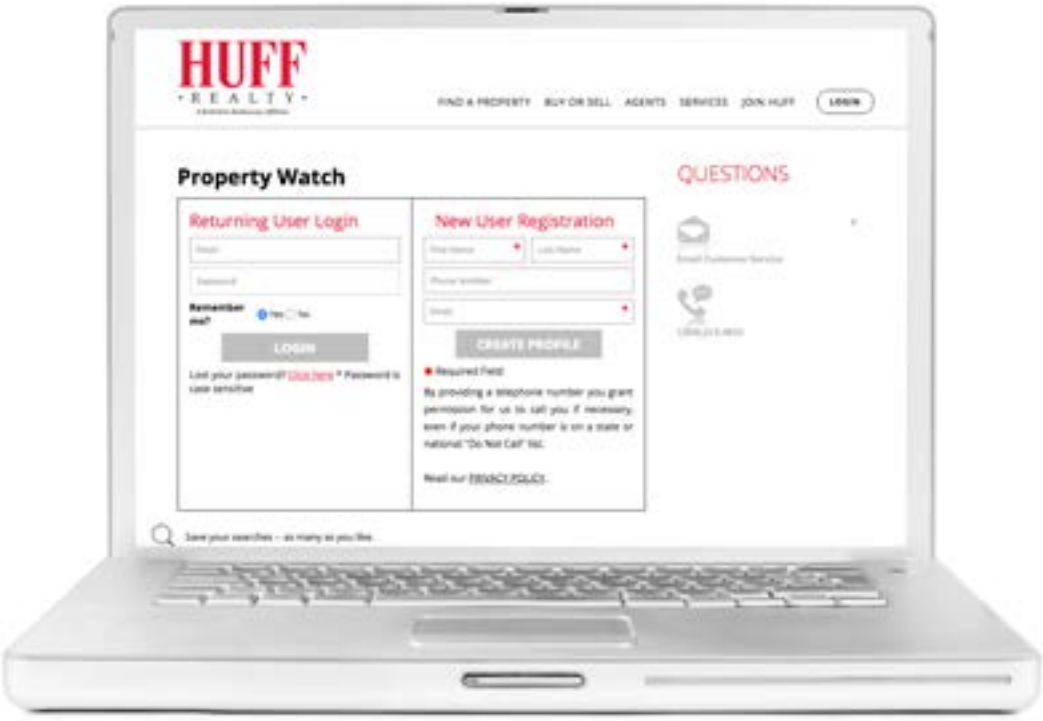
TRUST YOUR LOCAL SOURCE

National sites like Zillow, Trulia and Realtor.com only display the local listings that brokers and or agents choose to provide. The data that is found on these sites may not be current and may not contain all available listings. Companies such as these are not real estate brokerages, they are marketing companies making their revenue from selling advertising and real estate related products.

HUFF.COM FEATURES:

- All Local Listings
- Quick Property Details
- Large Image Viewer
- Street Views
- Multiple Image Slideshow
- Virtual Tour
- Market Reports
- Showing Scheduler
- Expanded Property Details
- Interactive Mapping
- Neighborhood Details
- School Information
- Mortgage Information
- Walk Score
- Social Media Linking
- Emailable Listing Info

KEEP AN EYE ON ALL THE LISTINGS



CLICK HERE TO SIGN-UP FOR
PROPERTY WATCH

PROPERTY WATCH

HUFF Realty's Property Watch helps keep your online search efforts organized and accessible on the couch or on the go.

Keep your agent in your research loop.

Connecting your online research with your HUFF Agent provides real time data that can identify prefrences of style, price, amenities and neighborhoods.

BENEFITS OF PROPERTY WATCH

- View ALL properties listed
- Save your searches
- Create favorites
- Email updates on new listings
- Keep notes on your searches
- Rate your choices

REAL-TIME MARKET DATA

CLICK HERE TO SIGN-UP FOR
MARKET WATCH

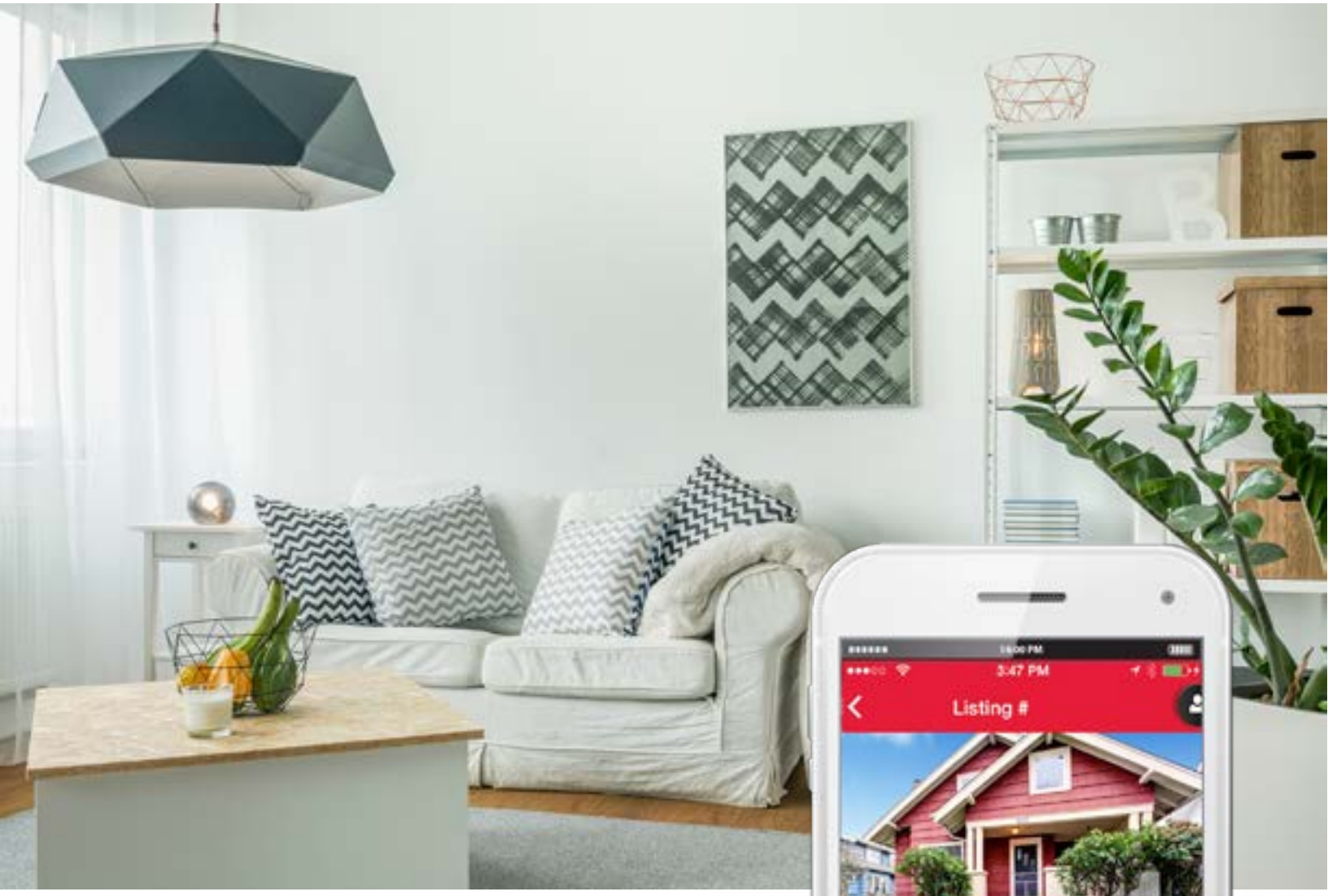
MARKET WATCH

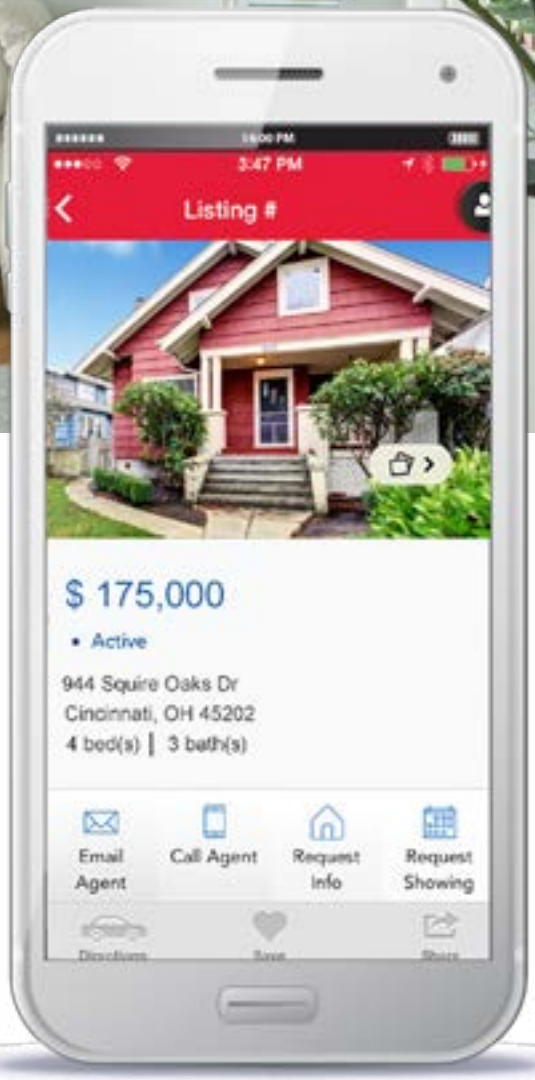
Register for your free **HUFF Market Watch** Account and keep all of your home search information in one place. View all area properties listed for sale, save searches and favorites and get automatic email alerts as soon as properties hit the market. You can easily access market stats directly from your search without leaving your results page.

MARKET STATS

- Homes For Sale
- Average List Price
- New On Market
- Listings Off Market
- Sold Homes
- Average Sales Price
- For Sale By Price
- Days On Market
- Properties For Sale

HUFF REALTY MOBILE APP





CLICK HERE TO DOWNLOAD
MOBILE SEARCH APP

SEARCH ON THE COUCH OR ON THE GO

Greater Cincinnati's most accurate home listings to search, discover, and share. Quickly and easily search for your new home with the HUFF Realty mobile app!

THE HUFF APP IS FREE!

6 REASONS TO HIRE AN AGENT

PAPERWORK

All of the contracts, disclosures, and other required paperwork can seem overwhelming. With regulations constantly changing in the real estate industry, it is good to have a Realtor there to help explain everything to you.

PRICING

Real estate professionals understand home values and everything that affects them. A Realtor will share this insight with you to help you make a smart and solid offer, whether it be well over, well below, or close to the property's actual list price.

NEGOTIATIONS

Realtors represent their buyers during the entire transaction process. Being one of the biggest purchases a person will ever make, the buyer tends to be more emotionally involved. It is helpful to have a Realtor act as a "buffer" in negotiations.

EXPERIENCE

Realtors are licensed professionals who are educated and trained in the real estate field. Being experienced with the entire sales process, they can help guide you through your home buying journey.

KNOWLEDGE

Anyone can get on the internet or flip on the news to get the latest real estate headlines, but a Realtor will effectively explain the current market conditions and decipher exactly what they mean to you.

AWARENESS

Many buyers begin their home search knowing exactly what they want to find, while many others have a vague idea. Being too specific or too broad can make for a very long search process. A Realtor can help you prioritize and make you aware of options you might not have considered, as well as point out features and flaws in a home that you may have overlooked.

THE BUYER'S JOURNEY

DECISIONS/PRE-APPROVAL

MEET WITH AGENT
Our journey begins with meetings to establish rapport, wants/needs, and counseling about the buying process. Our collective goal at HUFF Realty is to lead, teach and serve you through the buyer's journey.

MORTGAGE PRE-APPROVAL
When you get a mortgage pre-approval you have more negotiation power during the buying process and you learn the price range to focus your home search upon.

VISIT HOMES
Most buyers, 90% of them according to national statistics, use the internet as a resource to look for homes. We have several tools, including mobile options, to help you look for homes.

IDENTIFY "THE ONE"
At some point, through a process of elimination, you will find a home which closely matches the wants and needs you have come to identify in your home search. We are here to help guide you through the sometimes complex process of real estate.

OFFERS/NEGOTIATIONS

WRITE OFFER
Writing an offer is your official response to the seller of the home that you are interested in becoming the next owner.

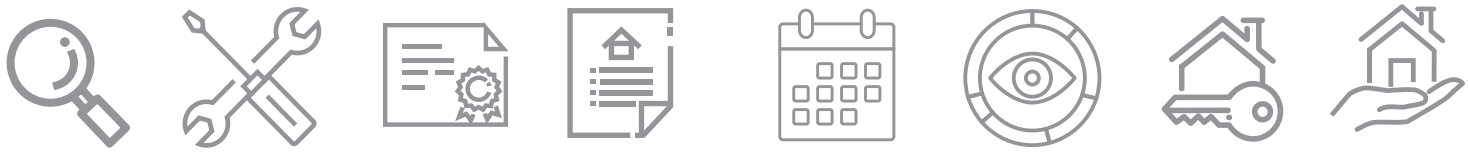
NEGOTIATIONS
Not all buyers and sellers are thinking exactly the same when it comes to transferring legal ownership of a home. In the end, negotiations are a NORMAL part of the buyer's journey.

COUNTER OFFER
As the buyer, you make the first step with your initial offer to purchase at the price you determine and other conditions you may want. It is FAIR and REASONABLE for the seller to make a counter offer back to you.

ACCEPTED OFFER
At some point in the offer/negotiation/ counter offer process the buyer and seller agree with each other.

10
WEEKS
is the average amount of time buyers search for the home they purchased in 2016.[2]

52%
OF BUYERS
said finding the right home was the most difficult step in the home buying process. [1]



FINANCING/INSPECTIONS

INSPECTIONS
There may be issues found in the inspection that are hidden from normal observation. These issues may be minor or they may be major enough for you to cancel your outstanding offer to purchase and begin looking for another home.

REPAIR REQUESTS (if any)
It is FAIR and REASONABLE for you, the buyer, to ask that repairs be made after the home is inspected. Most sellers will do the repairs.

TITLE WORK
Banks, mortgage companies, and cash buyers want to know that the legal property they think they are purchasing is correctly identified and clear of all legal liens.

APPRAISAL
Banks, mortgage companies, and cash buyers often require an independent review of the value of the home or property being purchased. This is a NORMAL part of the buyer's journey.

CLOSING/POSSESSION

SCHEDULE CLOSING
Once the financing and inspection phase is complete, a closing date is set for the parties involved to sign the official legal paperwork and transfer of money between parties.

FINAL WALK-THRU
As a buyer, you want to have a final walk-thru before you sign the papers.

CLOSING
This is where you meet to sign the legal papers to transfer ownership and write checks for any monies due at closing. This is where you get to move forward towards the life you want for yourself and your family members.

TAKE POSSESSION
This is where you take the keys you got at closing and walk into your new home or property as the new legal owner. CONGRATULATIONS...this is the American dream.

92%
OF BUYERS
who financed their home purchase used a fixed-rate mortgage product.[1]

61%
OF BUYERS
said their real estate agent was essential in helping them understand the buying process. [2]

LOCAL CONNECTIONS

Since 1975 HUFF Realty has been a respected and well known name in the Tri-State. A strong HUFF brand representing service, leadership, and integrity, combined with the resources of hundreds of local HUFF associates enhances our ability to deliver the superior technology and comprehensive customer services that connect buyers to your listing.

HomeServices of America, INC.™
A Berkshire Hathaway Affiliate

NATIONAL PRESENCE

HUFF Realty is part of HomeServices of America, a Berkshire Hathaway affiliate, the nation's second largest, full-service real estate brokerage firm. Through our operating companies we are one of the largest providers of integrated real estate services, including brokerage, mortgage, title, insurance, and global relocation.

HUFF
• REALTY •
A Berkshire Hathaway Affiliate

BERKSHIRE HATHAWAY AFFILIATE

"One of the World's Most Respected Companies."

- Barron's Magazine

Our affiliation with Berkshire Hathaway strengthens our position for our clients. We are proud to be part of one of the most respected companies in the world and proud of the contributions from our HUFF Realty associates.

A FAMILY OF REAL ESTATE SERVICES

HUFF Realty has a solid foundation and a commitment to exceptional service that you can count on. We strive to make the home buying journey as efficient and stress-free as possible by giving our customers every resource they need. Our affiliation with HomeServices of America and our Family of Services ensures you will have everything you need including realty, mortgage, home warranty, title, insurance, and relocation services.

MORTGAGE

MORE ABOUT MORTGAGE

HomeServices Lending is a wholly owned subsidiary of HomeServices of America Inc., a Berkshire Hathaway Affiliate. We are part of an ever expanding family of affiliate companies whose foundational strategy is to deliver an unrivaled customer experience throughout all aspects of the home transaction process.

TITLE

MORE ABOUT TITLE

HUFF Realty Title understands the importance of the title and closing process. By providing title insurance, we afford our customers a convenient source for protecting their investment.

INSURANCE

MORE ABOUT INSURANCE

HUFF Realty Insurance offers new home buyers and existing home owners a complete selection of insurance options from home, auto, life, and more.

WARRANTY

MORE ABOUT WARRANTY

A great service option for both buyers and sellers is our home warranty service provided by HMS Home Warranty. A home warranty gives peace of mind to many homeowners. If you are selling a home with a HUFF agent then you can add a home warranty to your listing and make it more attractive to buyers. If you are buying a home without a home warranty, with a HUFF agent, we have a policy you can add that will give you the added security in knowing you're protected.

RELOCATION

MORE ABOUT RELOCATION

Moving into our area. Moving out of our area. HUFF Realty's relocation team can help move you to or from anywhere in the world. We have specially trained agents to assist you when relocating.