

NC HOME BUYERS GUIDEBOOK



COURTESY OF:
NICK FRADE REALTY

Brokered by:
Better Homes & Gardens Real Estate - Paracle

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A 5-Star Customer Experience Is ALWAYS The #1 Priority



With years of experience as a consistent top producer under his belt, Nick has helped clients successfully buy, sell, and invest in properties throughout the Triangle. Nick takes great pride in customer service, and makes every effort to ensure every client has a 5-Star experience.

As we partner together to look for the best property to match your goals, it is important to identify these 4 simple criteria to make sure you have the best experience possible. We will dive into these in more detail, but for now, answer these questions:

Location - Where do you want to live/need to live?

Price - What is a realistic budget for you?

Motivation - What gets you excited about a new home?

Timeline - Is there a deadline, and if so when is that?

"Everyone should LOVE where they live."

PREPARING TO MAKE



- Agreeing on working together.
 - Make sure I am legally able to represent you! Once we sign an agency agreement, I am legally bound to work only for you, and only serve your best interests. This protects you and your information and will allow us to quickly jump to making an offer when you are ready.
- Financing.
 - Your total budget and financing plan is one of the most important decisions to make when buying a new home. Will you pay cash, or do you need a loan? What kind of loan do you qualify for and what gives you the best chance of an offer being accepted? Many variables will go into this decision, and I can absolutely help advise you on your options. However, to get you the most accurate view of what property and price will work for you, and what your monthly expenses will be (unless you are paying cash) we need to get a qualified lender to take a look at your financial situation. I know many great lenders, and as a first step, I encourage you to either reach out to a lender you know personally and love, or contact my local expert in all things lending: Chris Waggett with Alcova Mortgage.
 - Chris.Waggett@alcova.com - 910.619.2689
- Key Terms to know.
 - Pre-qualified - Lender will ask for basic information. This is a much less stringent process that simply gives you an idea of what your price range might be. You can receive a pre-qualification letter to go with your offer.
 - Pre-approval - Lender will pull your credit report and review your financial documents to determine the specific loan amount you will be approved for. You will receive an approval letter to go with your offer.
- Paying Cash.
 - We will need a proof of funds letter to go with any offers. A bank balance statement or letter from your financial institution showing funds is perfect.

ESTIMATED COSTS...

SUMMARY of “Estimated” Costs Associated with Home Purchase in North Carolina

- AT TIME OF OFFER:

- Due Diligence - (non-refundable) to Seller
- Earnest Money Deposit – to Attorney within 5 days

or

- Builder Deposit – only if New Construction
- DD & EMD usually equates to 1%-3% of the purchase price. I usually try to stay around 1%.
- Both amounts will be subtracted off the total amount due at closing.

- DURING DUE DILIGENCE:

INSPECTION Estimates:

- Home inspection - \$365 - \$500 (depending on square footage of house, etc)
- Termite inspection - \$ 75 - \$100
- Radon inspection - \$125 - \$150
- Well/Septic Inspections - \$300 - \$500 (if needed)
- These fees are due at time of service and are considered Paid Outside of Closing.

- BY A LENDER/CLOSING ATTORNEY:

- Closing Costs - typically 1-3% of purchase price (includes lender fees, escrow fees, attorney fees).
- Appraisal - \$500
- Survey - varies depending on lot size. \$450 and up...
- Down payment (dependent upon type of loan) - Varies... subtracted off your loan.
- Closing costs will be added to the total amount you owe for the purchase of the home.

Writing up a great OFFER

Main Documents that go with an Offer

As we review and fill out the most current NC offer to purchase forms together, we will discuss these more in-depth. Here is a short list of what documents to expect:

- Offer to Purchase and Agreement - main terms are on this document.
- Pre-Approval Letter or Proof of Funds - this shows a seller you are a legitimate buyer.
- Sellers Property Disclosure - sellers provide info on the property for your info.
- Mineral Oil and Gas Rights Disclosure - sellers provide this info about the land for your info.
- Additional Provisions Addendum (ex: to add a deadline / terms) - not always needed.
- New Construction Offer / Builders Contract (if new construction) - on new builds only/can vary.



Most Important Things to Know

- Price - As we make an offer we will look to see what makes sense based on comps, what will win against the competition, and what an appraisal might come in at based on current market trends.
 - Due Diligence Fee- This is a variable amount (~1-3% of the offer price) that if your offer is accepted is due immediately, goes right to the seller, is non-refundable, and does count towards your final purchase amount. This “buys” you the time to investigate the home / have inspections etc.
 - Earnest Money Deposit- This is an amount sent to the closing attorney and due within 5 days of an accepted offer. This can be refunded if we terminate your offer before the end of the due diligence period. If we terminate after that time it goes to seller. If we close as normal it goes towards the purchase.
 - Personal Property- We can ask for things like a fridge, washer and dryer, playset, furniture, curtains, shed, etc. Seller is not required to leave them.
- A seller can do 3 main things in response -
 - They can accept...Yay!
 - They can say no...boo :(
 - Or they can counteroffer...then we go back and see what you want to change on the offer, if anything.

Offer

ACCEPTED



Now the work starts, and the clock is ticking!

This is usually the most intense part of a transaction, but don't worry! I am here to help you every step of the way and make sure we are on track and protecting you at every turn. Here are some key items we will do during this part of the process.

- We write a personal check, cashier's check or send a wire transfer for the DD funds to seller.
- You will submit the "formal" loan application (based on the purchase price of the property), and to get fully approved for financing and ensure that you have the cash available to close on the transaction. *Typical loans take 30 days to close, cash only can be 15-18 days.
- Procure homeowners (hazard) insurance. *SEE MY % STAR VENDOR LIST
- If you want, I can help order all inspections needed (home, termite, radon, septic/well) and find a great home warranty if you are getting one. Buyers do not need to be at the inspection and we can talk to the inspector after he is done. *SEE MY 5 STAR VENDOR LIST
 - ** Visit www.radon.com/maps/ and <https://www.epa.gov/radon> for more info. The National avg acceptable level is .4cp/l.
- Negotiate repairs (not mandatory for the seller to agree), or ask for a credit "in lieu" of repairs
- Schedule your closing. I will normally suggest a great closing attorney and will schedule this for you on the negotiated closing date/time of your choice. *SEE MY % STAR VENDOR LIST
- Want a survey for a fence install or official lot marking? *SEE MY % STAR VENDOR LIST

Appraisals for a loan-

During the Due Diligence period, you should be finalizing your financing. One of the primary hurdles to clear in this process is the Appraisal. Your lender will set up the appraisal. The majority of the time homes do appraise for the negotiated purchase price or higher. There is the occasion, however, when a home does not appraise and this presents a problem since the lender will only lend up to the appraised value of the home.

- Example: If the agreed upon purchase price of the home is \$500,000, the appraisal needs to come in for at least this amount. If the appraisal comes in lower, example \$490,000, then there is a \$10,000 gap in the financing. In this case the difference will need to be paid in cash at the closing table. Sometimes the appraiser will consult with the seller's agent for advice on how they priced the home. If this is the case, they will try to justify the price of the home. If they are not given this opportunity or the home simply does not appraise with or without a justification, there are a few options to be considered:
 - Option 1: The seller will agree to lower the sales price to the appraised value. This is the optimal outcome, but one that does not always come to fruition. Sellers often feel as though their home is worth more than it is. On the flip side, you should not be put in a position to willingly overpay for a home knowing that you walk into this significant investment from day one in a negative equity situation. Sometimes you might do this because we do not agree with the appraisal and you simply love the home, however, most of the time this is not the case.
 - Option 2: We can negotiate with the sellers on a mutually agreeable compromise. Per our example above, we can try and agree to meet in the middle with each contributing \$5,000 towards the difference.
 - Option 3: You have the right to walk away from the transaction. If it gets to this point, please keep in mind that you forfeit your due diligence money, any money paid for inspections and/or lender fees. You will be refunded any earnest money paid to the sellers.

Offer

ACCEPTED...

- The Due Diligence Date
 - This is the date (by 5PM) by which all due diligence tasks and financing approvals need to be finalized. Up until this day and time, you have the legal right to walk away from the transaction for ANY reason and all you are liable for is the due diligence money previously provided and any expenses incurred in the home inspection and lending processes. After 5PM on the due diligence date, the earnest money further secures the transaction. If for some reason you were to terminate after the due diligence date, you will lose your earnest money in addition to all other expenses incurred. It is extremely rare for a transaction to fall apart after the due diligence date.
- Prepare for your move - This may include any of the following:
 - Procure a moving company to help facilitate your move
 - Order electric and/or gas service
 - Order cable, phone and Internet
 - Order water, sewer and trash service
 - Make yourself available for the walk-through and closing.
- Preparing for Closing and the Final Walkthrough
 - After due diligence date has come and gone, you should be in good shape to move onto closing. During this time, you will work with the Closing Attorney and Bank to review Closing Disclosure and wire funds. The final walk-through is normally the night before or day of closing. I will schedule a final walk-through with you. We inspect the home to make sure everything was completed per the due diligence negotiations and ensure that the home is left in an acceptable condition.
- Wiring of Funds
 - You will coordinate with your bank and the Closing Attorney to arrange funds for closing. You will only receive directions from the Closing Attorney for sending funds for settlement, and only after you review the closing Disclosure (3 days prior to closing). DO NOT take any initial direction from email, unless the Attorney has supplied you with specific password protected instructions. Please talk to your closing attorney before you wire funds.
- Closing
 - Closing will normally take place at the attorney chosen at the time of the offer and I will attend with you. The transaction is consummated once the deed is recorded by the attorney – normally a few hours after everyone signs on closing day.
 - Please note that the seller has the right to withhold final access to the home until after the deed has been recorded and may not necessarily provide keys at closing. This is due to the fact that even though you have signed the paperwork, you do not technically own the home until it has been recorded. If for some reason a disaster were to strike the home prior to the deed being recorded (fire, Act of God, etc.) the seller is still responsible for the home prior to the deed recording. Please keep this in mind when planning your move and scheduling movers and deliveries.

There are probably hundreds of things that can happen or change during a transaction, but know I am here every single step of the way to make sure you have a smooth and successful purchase!

Client TESTIMONIALS

Our #1 priority is making sure our clients all have a successful and positive experience. Please see a few of the testimonials our previous clients have shared about their experiences.

Dean and Michelle P. -

"We had recently moved to NC from South Africa and were very excited to find our new home here when we connected with Nick. We are so glad we found him! He was really easy to work with, extremely patient and informative throughout our search, and he had valuable insight on the areas we were considering. As we had never bought a home here in the US, Nick did a wonderful job explaining the process and advising us on our offer terms, and also negotiating additional credits and a 1 year home warranty for us during due diligence. It was such a great experience, and we absolutely love the home we have now. We would definitely recommend Nick to our friends and colleagues."

Natalie and James D. -

"Nick was fantastic, he was very patient and willing to travel all over North Carolina to help us find our dream home. I recommend him to every person I know looking for a home."

Dan and Suz P. -

"Nick was an amazing resource for us throughout the entire process of selling our home, and simultaneously helping us buy our new home. From the very first meeting, he showed us he knew exactly what we needed to do to get the most amount of interest, and best price on our home once it hit the market. He kept us informed, was communicative every step of the way, and made this all so easy we still kind of can't believe it. We would highly recommend Nick to anyone looking to sell, and would absolutely use him again!!"

Matt and Erin P. -

"We were originally referred to Nick from good friends of ours who had a fantastic experience using him for their home purchase. As first time home buyers we wanted to use someone we could trust and we are so glad we were connected with Nick. He was knowledgeable about the market, explaining the purchase process, and taking time to explain about all the things to look for when seeing homes. 5 Stars for Nick!"

"Whatever level is the top Nick went above that and beyond. The reason why I went with Nick as my agent is because I saw the lengths he went to for another client whose home he had listed, I knew that was the kind of agent I wanted to list mine, dedicated, in tune with the market, excellent communication, and available. I am very pleased with my choice and would/will use Nick again in a heartbeat."

Brian and Sam M. -

"Coming from NYC where every realtor is a scumbag, it was the most refreshing thing having someone like Nick who actually cared about us and our needs helping us out. He went above and beyond multiple times to make this a less stressful experience for us.

Joshua M. -

"Incredibly responsive and active. Great source of knowledge and expertise. The housewarming gifts were a nice touch and are being used on a DIY project right now."

Mike and Laura A. -

"Nick stood out to us for being easily reachable very personable knowledgeable and most importantly he was willing and able to cater to the unique aspects of our situation. There were many agents who we deliberately chose not to work with after 1-2 interactions but Nick had us hooked at the first interaction and we chose to work with him after our second interaction. We've been very pleased with our experience and even had some laughs along the way. Thanks Nick!"

Tyise H. -

"This was my first time buying a house. Nick was not only extremely patient, but he also educated me on some of the things to look for or to know especially about buying a house here since I am originally from New Jersey. I have been recommending Nick to all my friends who are considering beginning the homebuying process."

Pat H. -

"Selling my home after 20 years could have been difficult but Nick Frade made it easy and kept me informed and helped to make it much less stressful. Nick was very attentive to any concerns that I had and included my son in our discussions."

Kevin S. -

"Nick truly went above and beyond! An absolute gentleman, solid professional and extremely moral man. I didn't worry about getting the house sold with Nick on the job. While the actual process and experience were not pleasant due to the home being part of an estate, Nick was an amazing navigator and resource for the process."

James S. -

"Nick was an incredible resource for me and I have no doubt he helped me get the best price and terms for my home. He was always available and responsive and made the process extremely pleasant. I highly recommend Nick as a great agent to list and sell anyone's home!"

Bruce and Lillian Y. -

"Nick was very professional, friendly and knowledgeable as we looked at homes in Durham. He was always willing to take us to different houses that we found and helped us find properties to consider. Nick is a great asset to Better Homes and Gardens Real Estate!"

Isabel and Evan W.

"Nick was an amazing agent, kind and efficient and knowledgeable. My partner and I were buying our first home and Nick educated us on all the necessary information and steps, which turned what could have been a daunting task into a fun and comfortable one. If you are thinking of working with Nick, I can't recommend him enough!"

Brenda and Migeul P. -

"My husband and I would like to express our gratitude to Nick Frade, our agent, who assisted us with the purchase of a new home in Raleigh NC. Purchasing a home out of state was a new experience for us, we had a lot of questions and concerns. We were not familiar with the Raleigh area, so Nick's experience and deep understanding of the area and market were invaluable. Nick was incredibly patient and understanding. He took the time to explain every detail and was available whenever we needed him. He truly had our best interests at heart. Nick made the entire process seamless and stress-free and ensured that we were comfortable with the process every step of the way. We would highly recommend Nick for any real estate needs without reservation."

Dionne and Rasheme R. -

"We had the most wonderful experience with Nick as our Agent. My husband and I had a planned weekend trip to Raleigh with the intention of seeing a few homes. We contacted two other Agents/Real Estate Companies that promised to return our call, but never did. However, our third call to Better Homes and Gardens Real Estate – Paracle, was a blessing in disguise. Nick was assigned to our inquiry, and he made our experience as effortless and painless as possible. He managed the purchase of our beautiful new home in Raleigh, and he was also very involved in the sale of our home over 800 miles away. Words cannot express how truly grateful we are to Nick for his steadfast dedication and professionalism. Nick Frade is highly recommended. A+++ service!"

5-STAR VENDORS

A lot goes into making a home exactly how you want it, and I wanted to offer some amazing professionals with excellent results to make finding someone you can trust easy. Can't find what you are looking for? Let me know and I will ask my colleagues and see who they love!

- Air Duct Cleaning/Chimney: The Mad Hatter. 919.847.1119 TheMadHatterNC.com
- Accountant: Jigna Shah. Jigna Shah Accounting. 919.346.1011
- Attorney (Real Estate): Chris Mann. Mann, McGibney, and Jordan. 919.297.3941
- Attorney (Litigation): Chad Cochran. 919.859.6840. CCochran@HSCattorneys.com
- Blinds/Shutters: Carolina Shutter & Blinds. 919.249.6990
- Cleaning Specialist: Megan's Cleaning Service. Megan. 336.843.0470
- Crawlspace/Foundation: Regional Crawlspace Repair: 844.519.0430. Regionalfix.com
- Electrician: Tom Jameson. Astro Watt. 919.645.8587. Tom@callastrowatt.com
- Flooring Specialist: Mack Downs. Mack Downs Flooring. 919.819.7281
- Brentwood Flooring 919.872.2775. BrentwoodFlooringAmerica.com
- Fence Specialist: Calvin Worthy. Worthy's Fencing. 919.685.2536
- General Contractors:
 - Cyndi and Dave Aragon, NC Home remodeling. 919.868.3585
 - Valentina, Aim High Residential Services. 919.215.6942.
- Garage Doors Repair: Bens Garage Doors, 919.670.2910
- Garage Flooring: Guardian Garage Floors. 984.205.5717. GuardianGarage.com
- Gutter Guards/Cleaning: LaborPanels.com. 919.348.4069
- Handyman: Jim Bragg, JHB Handyman Services 919.656.3257
- HVAC Specialist: Lenny Cicero, HRDAir. 919.218.9074
- Insurance providers: Trisha Schwartz, State Farm. 919.657.9009.
- Lawn service: Jim Walley, Southern Yardscapes. 919.616.0164
- Lender / Mortgages: Chris.Waggett@alcova.com - 910.619.2689
- Licensed Home Inspector: Jeremy, J.B. Simpson Home Inspection. 919.397.8291
- Painters:
 - Florence Ngollo, Fresh Coat Painters. 919.344.5457
 - All-Pro Painting, 919.551.4522 – AllProPaintingNC.com
- Pest Solutions: Phillip Maready, Ready Pest Solutions. 919.762.3285.

My 5-STAR VENDORS

- Power Washing: Jay Kulwicki, Service Pro's NC. 919.441.8063
- Professional Organizer: Daria Harvey, Your Organized Life. 919.616.1592.
- Plumbing: Cyndi Aragon, NC Water Heaters. 919.868.3585
- Realtor: Nick Frade, NFrade@paraclerealty.com. - www.NickFradeRealty.com
- Roofer: Bart Klarmann, Baker Roofing. 919.828.2975
- Septic Specialist: Robert Smith. Ambassador Inspections. 919.339.5633
- Tree Services:
 - Big Tree Services. 919.348.4502 – bg.treeservices@yahoo.com
 - Molinas Tree Service. 919.928.5437. MolinasTreeService.com
- Tile/Grout Services: TheGroutMedic.com. 919.357.3145
- Well Specialist. AWT Engineers and Soil Scientists. 919.859.0669
- Windows/Doors: Leap Windows, Doors, and More. 919.899.0812. LeapWindows.com

I hope this brief buyers guide, and 5-Star Vendor List gives you some useful information and tools as we start your home search process. Please let me know any additional questions you may have and also any vendors you have used for home projects that you have LOVED. Share any of those companies you would recommend as a 5-Start Vendor to others!



Have a Blessed Day!
www.NickFradeRealty.com
Call or Text me: 984.789.1852

