

# You should know the

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**A** is for associations. Home owners' associations, usually requiring monthly dues, are becoming more common in Triad subdivisions. An association may have the power to approve major exterior remodeling, vehicle or boat storage and the like.

Although such powers are intended to keep a subdivision visually pleasing, it's a good idea to read the by-laws before signing a sales contract, so you'll understand the rules you'll have to live by.

Ask also to examine the group's budget and powers for raising dues.

**B** is for building new or buying resale. This is a basic choice any house hunter must face. Among the advantages of building a new home are: options of colors, carpeting, wallpaper and the like; most everything in the house is new and under warranty; and new homes often have superior energy efficiency compared to older homes.

Advantages of resales include: an established neighborhood without a lot of construction and the dirt and dust associated with it; established landscaping; and often a little more "old time" ambiance and craftsmanship.

**C** is for comparables. As a representative of a seller, a real estate agent can't tell a buyer what to bid for a house or what the seller's "absolute bottom-line" price is.

An agent can and will, however, provide information on comparable homes that sold in the area during recent months, including sale prices, so the buyer can make an educated offer.

**D** is for debt. Because a mortgage loan underwriter examines an applicant's debt-to-income ratio closely, one of the best preliminary steps to buying a first home is whittling down long-term debt (including large credit card balances) in the months prior to applying for a mortgage.

Lenders say that showing a pattern of progressively reducing old debt, without adding new debt, is more impressive than simply paying off old debt in one lump sum just prior to applying for a mortgage.

**E** is for emotions. Keep them in check. If you think you can't live without a home, there is a good chance you will pay too much. Be prepared to walk away from a deal if the price or terms aren't right.

**F** is for fair housing. Federal and state laws prohibit a seller from discriminating against a buyer for reasons of race, religion, age, color, national origin, sex or marital status. Buyers who suspect that they may have been denied fair treatment can find relief by calling the local office of the U.S. Department of Housing and Urban Development or the N.C. Real Estate Commission in Raleigh.



**G** is for gift. A buyer without a sufficient downpayment can obtain a gift-letter from a parent. A gift-letter states that the parent will give the buyer money that need not be repaid. Parents and children can, of course, have a tacit understanding that the money will eventually be returned.

**H** is for home builder. Especially when buying from a larger home builder, a buyer probably will deal directly with a sales representative. Before signing a contract, however, the buyer should ask to meet the builder or superintendent who will actually be in charge of construction of the home.

**I** is for inspection. Definitely get one. Contracts are commonly written nowadays with provisions that allow buyers to get a home inspection within a certain time period.

If major problems turn up in the inspection, the buyer can negotiate with the seller regarding its repair. Or terminate the deal if an agreement can't be worked out. The cost to the buyer is usually in the range of \$125 to \$350.

It's an added plus if the buyer can accompany the inspector on the tour. That offers the opportunity for familiarization with the house and its maintenance needs.

**J** is for journal. Most house-seers seeing so many homes, after a few days "maybes" seem to blur together. To help keep the homes straight, it's a good idea to keep a record of what you liked and didn't like.

Real estate books at the library of (that can be photocopied) to help sort out the features in each home visited. The condition of appliances, decor and the like. Taking a Polaroid camera on hunting excursions can also help.

**K** is for kids. It's common to put off home-purchasing until the summer so as not to disrupt their school and friends.

Many experts, however, say that moves be made during the school year so children can meet and be involved in their new environment more quickly. A long, lonely summer.

**L** is for low. To ensure a good deal, it's a good idea to search for homes in the most expensive subdivision. Higher-priced homes in the prices of those nearby subdivisions in lower ranges tend to price downward.

For instance, if a buyer is thinking of a \$150,000 home in a subdivision with homes priced \$100,000 to \$130,000, it might be a better deal in a subdivision with homes priced \$140,000 to \$160,000.