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COMPLETE GUIDE TO BUYING A HOME IN SAN ANTONIO

Buying a home is a big deal. While the process is exciting, it can also be overwhelming. At KW Portfolio we are committed to making sure buyers have all the information they need when buying a home. Whether you're a first-time homebuyer or seasoned pro, it's always good to be informed (or reminded) of the process.

IN THIS GUIDE, YOU'LL GET VALUABLE INFORMATION ABOUT:

- Finding a realtor
- Connecting with lenders
- Determining priorities
- Shopping for a home
- Making an offer
- Having an inspection and appraisal
- Being aware of fees and closing costs
- Going to your closing



As San Antonio residents and experts, we assure you that you are in good hands when you work with KW Portfolio - we're here to help you find your perfect home and then help you through the process of purchasing it!



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WHO IS PORTFOLIO

Portfolio Real Estate, a luxury extension of Keller Williams Realty, is an exclusive group of real estate professionals serving clients in the San Antonio luxury home market.

Representing luxury homes and high-end properties, as well as the clients that own them, many of San Antonio's top luxury real estate agents call Portfolio home. Consistently leading the industry in high-end property sales, Portfolio agents are poised to serve a wide range of luxury clientele in the Alamo City.

As a group of seasoned, award-winning San Antonio luxury real estate experts, Portfolio San Antonio agents are esteemed as some of the most influential and highly successful Realtors San Antonio has to offer, earning accolades such as San Antonio's Top Luxury Real Estate Agents as named by the San Antonio Business Journal.

With two Portfolio San Antonio locations, in both The Dominion and Alamo Heights, Portfolio is well-positioned to help clients luxury clientele in San Antonio and the surrounding areas navigate their next real estate endeavor. Moreover, because the seasoned professionals of Portfolio live in the areas they serve, the level of inside knowledge about local amenities, as well as the housing market in the communities are rivaled by few.

Due to their partnership with The Institute for Luxury Home Marketing, all Portfolio agents are Certified Luxury Home Marketing Specialists (CLHMS). Additionally, with customer service efforts supported by the Keller Williams Luxury Homes Global Network, working with a Portfolio agent assures that every home brokered with the Portfolio brand behind it is done so with excellence.



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FIRST STEPS

Before you begin your real estate journey, there are a few items you'll need to check off your list:

DETERMINE WHAT YOU CAN TRULY AFFORD

Your first step in the home-buying process is to determine your budget.

This helps to ensure that you're not taking on a larger mortgage commitment than you can afford. Local lenders familiar with San Antonio real estate are a good choice when determining how much you can afford.

DECIDE WHICH FEATURES IN A HOME ARE "MUST-HAVES" AND WHICH ARE "NICE-TO-HAVES"

Before you go house hunting, brainstorm a list of what you absolutely must find in a home... and which features are simply nice extras. Examples of must-haves might include the number of bedrooms and bathrooms, proximity to work, and access to your preferred school districts.

Things that shouldn't be on your must-have list? The way a house is decorated, well-manicured landscaping, or anything else you can easily fix or install yourself. Refer to your list if you need help down the line making an objective decision between two or more houses!



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LOANS, LENDERS, & MORTGAGES

PRE-QUALIFY

A mortgage professional will determine exactly what you can afford; this is called pre-qualifying. The process of pre-qualifying involves providing some personal and financial information to your mortgage lender, such as income and assets, as well as information for pulling your credit. Your mortgage lender will review this information and let you know how much you'll be able to spend on a home.

DECIDE HOW MUCH MONEY YOU WILL PUT DOWN

The down payment required to buy a home will vary based your loan program. There are programs available with no down payment, however, the majority of home buyers should expect to put down anywhere from 3% to 20% of the purchase price. *Expert Tip: Buyers will also have closing costs to pay on the loan. However, sellers can help by paying closing costs on behalf of a buyer. Be sure to ask your real estate agent for advice!*

FIGURE OUT WHICH MORTGAGE IS RIGHT FOR YOU

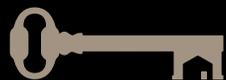
Now that you've nailed down your numbers, talk with your lender about which mortgage makes the most sense for you. There are plenty of different options to consider and they will help you sort out the differences between all of them.

APPLY FOR A PRE-APPROVAL

While discussing mortgage options, apply for a pre-approval. Getting pre-approved for a mortgage is more in-depth than getting pre-qualified. During the pre-approval process, you will be asked for documentation which supports the information you've verbally provided as part of your pre-qualification.

A lender will review your financial information and commits to giving you a mortgage for a specified interest rate. It's a good idea to consider doing this now as it allows you to move much faster when you find that perfect home. In today's competitive market, a pre-approval lets the seller know your offer is serious!

FIND A LOCAL LENDER TODAY



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HIRING A REAL ESTATE AGENT & HOUSE HUNTING

HIRE A REAL ESTATE AGENT

Although it's possible to search for homes using internet sites devoted to real estate, you can give yourself an immediate advantage by enlisting the services of a professional. Real estate agents have in-depth and up-to-date knowledge of the communities and real estate markets that you are considering.

In addition, the process of buying a home can be complex. Real estate agents are required to stay current on the various laws and regulations.

Finally, a real estate agent can negotiate better sales contract terms based on your needs and offer greater knowledge of search areas.

FIND A HOME

Now for the fun part: house hunting! With the help of your real estate agent, you can begin touring homes in your price range. Not only will you want to take notes about the home, you'll also want to evaluate the neighborhood.

After viewing homes, chances are you'll know which one or two you're serious about buying. After you find the right home your real estate agent will help you determine and negotiate an appropriate offer based on the value of comparable homes in the same neighborhood.



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NEW CONSTRUCTION VS RESALE VS SHORT SALES VS FORECLOSURES

NEW CONSTRUCTION

There are several perks to building your own home. Essentially, you have more control over your layout, interior design, lot, scenic view, and school district. This flexibility allows you to create your home with your specific personality and family needs in mind. While building your own home can come with unforeseen costs and a further move-in date, homeowners who go this route often feel a tremendous sense of overall satisfaction and pride in their home.

RESALE

Often, the main benefits to buying a pre-existing home are convenience and cost. Though building a customized home may seem like an ideal experience, the hassle and cost can be too daunting to some homebuyers. Alternatively, when buying a pre-existing home, you know exactly what you're getting. You can rest easy knowing that the price you agree to is the price you pay, and what you see is what you get.

SHORT SALE

If a home owner is having difficulty paying their mortgage and needs to sell, but the home turns out to be worth less than they owe, they may decide to do a "short sale" with their bank. When a buyer puts an offer in on a home that is going through a short sale it would be in their best interest to find out how far along the seller and the bank is in the process. If they have not yet been approved for the short sale there is no guarantee an offer would even be considered. If the buyer's offer is considered, first the seller gives permission to sell at the offered price, then the bank has to agree to that price as well. Counter offers can be made, even if the buyer is offering the asking price. In the end, the bank considers every penny it will lose and makes its decision based on that.



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NEW CONSTRUCTION VS RESALE VS SHORT SALES VS FORECLOSURES

FORECLOSURE

A foreclosure means that all efforts to pay for a home or sell it have been exhausted. The bank goes to court to get the homeowner removed from their house. They are then evicted and no longer own the home.

In the case of a foreclosure, the bank IS the seller. Although there may be more paperwork, the process should not take much longer than purchasing from a traditional seller.

Purchasing a foreclosure from the courthouse is a far different endeavor. In that case, the buyer participates in an auction on a certain day of the week, and will usually have to put 10% down that day. Generally, they will need to come up with the difference shortly thereafter. If the home doesn't sell at the courthouse, the bank usually buys it, and in most cases, it will wind up with a Realtor.



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I FOUND A HOME, NOW WHAT?

PREQUALIFY WITH A LENDER

Work with a mortgage professional to determine exactly what you can afford, this is called pre-qualifying. The process of getting pre-qualified involves providing some personal and financial information to your mortgage lender, such as income and asset info, as well as information for pulling your credit. Your mortgage lender will review this information and let you know how much you'll be able to spend on a home.

SUBMIT AN OFFER

So you've fallen in love with a property that meets all of your needs and some of your wants—and it's within your price range. Let's make an offer!

Your Realtor will help you with determining the best price to offer by looking at other home sales in the area, considering how long the home has been on the market, and how incentivized the homeowner is to sell. Once you settle on a number to offer, your Realtor will present the offer to the seller's Realtor for consideration.



I FOUND A HOME, NOW WHAT?

CONTRACT ACCEPTED – OPTION PERIOD

The seller accepted your offer—congrats! In San Antonio, buyers first go into “Active Option”, then into “Pending” statuses before closing. The Active Option period is usually a 5-10 day period that gives you time to do an inspection and back out of the contract if anything major comes up without risking serious financial repercussions.

ORDER A HOME INSPECTION

Expert Tip: As a homebuyer, always exercise your right to a home inspection. Inspections should be performed on all homes — even newly built ones.

During the option period you’ll get the home inspected, which typically costs between \$200 and \$500, depending on the size and age of the home.

The licensed inspector will provide you a report which details the home’s system and structure. If there are issues, such as a non-functioning fireplace or an underperforming AC unit, you may be able to negotiate for repairs. If you find any deal breakers, such as an unstable foundation or serious mold, you have the option of backing out now.

SUBMIT YOUR MORTGAGE APPLICATION

Once the inspection is complete, you’ll submit a mortgage application. Review all closing costs, which might include an attorney’s fee, title insurance and partial property taxes. As of that moment, your interest rate protection could be extended for 45 more days (or for up to 60 days in the case of government loans), giving the lender enough time to completely process your loan.

YOUR LENDER WILL ORDER AN APPRAISAL

A real estate appraisal helps to establish a home’s market value. An appraiser will come out to the property and review the home, research similar homes in the area, and compare recent sales to determine a fair market value.

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I FOUND A HOME, NOW WHAT?

The appraiser then gives a final appraisal report, which includes a final opinion of value. If the home appraises at or above the amount you have offered, you will be good to go. If not, your Realtor can assist you on how to proceed.

SHOP FOR HOMEOWNER'S INSURANCE

Known officially as "hazard insurance", homeowners insurance is a requirement of your loan approval. Basic insurance typically covers fire, theft, storm damage, and liability. Once you have selected a provider, you'll need to show proof that your policy is in effect as of your closing date.

RECEIVE YOUR APPROVAL FROM YOUR LENDER

After a file has been fully underwritten and all of the conditions have been met, a final underwriting approval will be issued. This is known as a "Clear to Close" and means the documentation you provided to your lender has met their approval and no additional paperwork is required.

CLOSE ON YOUR HOME

Closing is the legal process by which the ownership of a home moves from one person to another, in the form of a deed, and is the last step prior to getting the keys to your new home.

Closing is a relatively simple process and can take anywhere from 25 minutes to two hours, depending on the complexity. Before you close you're entitled to a walk-through to confirm that nothing has changed since the inspection.

On closing day, bring your photo I.D., as well as any paperwork you received throughout the home-buying process, including insurance and home inspection certificates. Your lender will also inform you of the funds needed to close. Once you've signed the paperwork and the transaction has funded, you'll be handed the keys... and you'll officially be a homeowner!

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TYPICAL COSTS BREAK-DOWN

TYPICAL BREAK-DOWN OF CLOSING COSTS

Expect to Pay These Fees Through Out Your Home Ownership Journey

While there are many closing costs that are variable, it's nice to see what you might need to be ready to pay. Your lender will provide an estimate of closing costs.



OPTION FEE – Paid to seller when the offer is accepted

ESCROW FEE – Paid to the Title Company

INSPECTION – Paid to the Inspector upon completion

FEES PAID AT CLOSING

DOCUMENT PREPARATION

BROKER, ORIGINATOR OR LENDER

TAX SERVICE

APPRAISAL

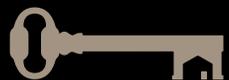
ATTORNEY, CLOSING OR SETTLEMENT

CREDIT REPORT

FLOOD CERTIFICATION

POSTAGE/COURIER

SURVEY



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