

# The Ultimate Step-by-Step Guide to Buying a House

From time to time, Ocean Mortgage receives requests from guest authors to contribute a post to our blog. Today, we welcome Emily Huddleson from REDFIN. We are pleased to post Emily's informative article for the benefit of our clients and potential clients; however, we wish to make it clear that Ocean Mortgage is not affiliated with Ms Huddleson or her company, and the publication of this article should not be construed as an endorsement or solicitation for Emily or her company. As always, nothing contained in our blog (or elsewhere in our website) should be construed as legal, financial, or other advice. You should always consult with appropriate professionals in your jurisdiction before purchasing a home and/or obtaining a loan.

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Buying a house for the first-time or even second time can be extremely exciting, but it can also be one of the most complex purchases of your life. Not knowing what to do when and how to start can make it even more daunting. To simplify things, we've broken down the timeline and created a step-by-step guide to help you navigate all the twists and turns along the way.

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## 6 Months Out

**Assess your situation and get your financials in order.** Before jumping into your home search, you must determine how much you can afford. You may have saved enough for your down payment, but don't forget to account for closing costs, taxes, insurance, and any other unforeseen expenses that may arise when buying a house. This is also the time to make sure you've paid down your credit cards and that your credit score is in good condition, ensure you've filed your taxes, and that you have a paper trail for all recent major financial transactions.

**Get pre-approved and find a mortgage lender.** It's important to apply for a mortgage pre-approval before you begin house hunting in earnest. Not only will this help keep you realistic about your options, but it also shows sellers that you're a

qualified and serious buyer. Don't be tempted to just go with your current bank. It's best to shop around to find the best rate and determine which mortgage and lender are right for you. Pre-approval letters *do* have an expiration date, so be aware of when yours is. It's okay if you have to apply again later on.

## 3 Months Out

**Find a buyer's agent.** A buyer's agent is a licensed real estate agent who will represent you throughout your buying journey. A good buyer's agent will be an expert on the home buying process, know your area inside and out, be familiar with local listing agents, and be a skilled negotiator.

**Begin searching for homes.** Ask the questions that will help set parameters for your home search. Are you looking to move to a new city such as Sacramento or Portland? Are you set on buying a house in a particular school district or neighborhood? How many bedrooms do you need? Do you want a single-family home or are you open to a townhouse, or maybe even a condo?

**Attend open houses and go on tours.** When you're touring multiple homes, it's easy to confuse different features or concerns so take notes as you're touring. Don't forget to pick your agent's brain and ask for their input.

## 2 Months Out

**Submit, or resubmit your pre-approval application.** If you didn't get a pre-approval letter, now is the time. Most letters last for 60 to 90 days. If your search extends beyond that, reapply.

**Make an offer.** You've found the home you want to call yours. Submit your offer as soon after touring the house as possible. Speed is of the essence in a competitive housing market with

limited inventory. Talk with your agent about the terms of your deal and the competition you face to determine an offer price. You and your agent will work together to write and submit the offer letter to the seller's agent.

**Negotiate Home Price.** Counter-offers are common and should even be expected when buying a house. Common counter-offers can include proposed changes to the price, closing date, or purchase contract contingencies. You may go back and forth with the seller a few times before you come to terms you both agree on.

**Enter the closing process.** Once you and the seller agree on the terms, you'll enter the closing process, which usually takes 30 to 45 days. You'll likely be in very close communication with your agent, lender, and escrow agency during this time.

## **1 Month Out**

**Deposit earnest money.** Once the seller has accepted the offer, the earnest money will be deposited into an escrow account or held by the listing agent. Once the sale of the home has been completed, the earnest money you paid will be applied toward your closing costs.

**Order your title.** You'll receive a preliminary title report from an escrow agent or attorney within a week after you reach mutual acceptance on an offer. Once the transaction closes, you will receive a final title policy.

**Line up a home inspection.** This step is critical as it allows you as the homebuyer to discover any material defects or necessary repairs before buying the house. Pay special attention to the results of the inspection because many states hold a buyer responsible for understanding and investigating issues raised during inspections. Also, if there is an inspection contingency, you can negotiate with sellers to

cover the costs of certain repairs, ask for concessions, or back out of the sale.

**Finalize the home sale.** Now that you've completed all negotiations, it's time to finalize and sign the purchase agreement with the seller.

**Complete the mortgage application and book an appraisal.** While you have been pre-approved, you still need to meet with your lender and finalize your mortgage application. The lender will also request an appraisal at this time.

## 1-2 Weeks Out

**Receive Loan Approval.** A licensed appraiser will determine the home's market value based on comparable recent sales of homes in the neighborhood. After the appraisal has been completed, it will typically take around two weeks for the lender to get all the paperwork and approval completed.

**Final walk-through.** This is when you can verify that the condition of the house hasn't changed and that all updates and repairs have been made. The final walk-through usually takes place 24 hours before the scheduled closing day.

## Closing Day

**Pay closing costs and sign all paperwork.** Come to closing day prepared with your government-issued ID and any requested documents. Bring a cashier's check for your down payment and be prepared to pay any closing costs. Now all that's left to do is close escrow and sign the required paperwork.

**Get your keys.** Congratulations on your new home! Depending on if your house is turnkey ready or not, there might be some maintenance and remodeling you want to complete before moving in. You'll also want to think about hiring movers, buying new furniture and appliances, setting up your utilities, etc. You'll pay for these after the house is yours but may want to

factor them into your budget or create a separate post-move budget.

Emily Huddleston is part of the content marketing team for [REDFIN](#) and enjoys writing about real estate trends and home improvement. Her dream home would be a charming Tudor-style house with large windows to let in lots of natural light.