WELCOME TO
MONEY SMART DAY
2023
moneysmartday.gmu.edu
"Hall" You Need To Know to Buy Your First Home

Amal Hall, REALTOR®
About me

- 2018 - Graduated from GMU - Major: Sport management
- 2018 - Internship - Washington Nationals
- 2019 - Sales Coordinator - D.C. United
- Aug 2020 - Furloughed from D.C. United
- Dec 2020 - Real Estate License (Virginia)
- Jul 2021 - Bought our first home and moved to Fredericksburg
- ~4,750,000 in Sales Volume Since 2020
- ~72% of my clients are either first time home buyers or first time sellers
Why Buy?

7 Reasons to Own a Home

1. Tax Benefits
2. Appreciation (~2.5% YOY)
3. Equity - money Paid for rent is money you will never see again
4. Savings - Equity leads to a great savings plan when you sell
5. Predictability - unlike rent, most people will have a fixed-rate mortgage
6. Freedom - the home is yours. Decorating, pets, etc.
7. Stability - Staying in one place for even just a few years can create a sense of community and stability in your life

A Homeowner's Net Worth is More Than 40X Greater Than a Renter's

Sources: Federal Reserve
Quick Fact

There are definitely some scenarios where renting may be a good option for you.

HOWEVER, if you are ready and able to, purchasing a home will allow you to stop paying someone else's mortgage.
I truly believe that real estate can help so many people across America.

I believe it's more attainable than some may think as long as you have a plan and prioritize it.

A starter home is just a stepping stone.
Road Map

- Get Preapproved
- Research Areas
- View Homes and Submit Offers
- Escrow Period Loan App
- Contingencies
- Home Insurance
- Receive Closing Disclosure
- Closing Day
1. Hire a Realtor®

Why do you need a Realtor®?

- Guides you through all forms and processes
- Offers objective information and opinions
- Provides up-to-date knowledge on the market
- Negotiates with your best interests always in mind
- Provides fair and ethical treatment
2. Get Preapproved

What is a Preapproval?

A loan pre-approval consists of a lender reviewing your income, assets, and credit to determine your buying power.

How to find a Lender?

Trust your Realtor's recommendation but don't be afraid to shop around for other rates if needed.

A good lender will:

- Look over all loan types and options
- Look into programs and grants you may be eligible for
- Will explain and answer any questions you may have about documents you need or the process
- Have good communication
- Local is always best
Don't be scared of how much you need for a down payment.

There are so many loan programs and grants out there. Saying "you can't afford buy a home" before speaking to a lender is holding yourself back before you even start.
Many people wait and "save up" for a bigger down payment...

By the time you wait 5 years to save up, you could have earned $54,000 in equity.

Let’s say you put 5% down ($20,000 for a 400,000 house). With this appreciation, you could have more than doubled your down payment after 5 years.

Quick Fact

Potential growth in household wealth over the next 5 years based solely on increased home equity if you purchase a $400K home in January 2023

Source: Q4 2022 HPES
3. Research Areas

Before looking at homes...

What are you looking for in a home?
- Difference between a want and need
- What are non-negotiables?
- Is commute an important factor?

Virginia is a "buyer beware" state which means it is up to YOU to....

- Research Areas you want to live
- Check crime and sex offender registry
How does the market affect my offers?

Supply and Demand

- **Sellers Market** - Offers are more competitive. Buyers are more willing to offer more with less contingencies.

- **Buyers Market** - Homes are on the market longer. Less competitive. Buyers have more negotiation.

- Your Realtor will guide you in the best way to balance competitiveness and risk taking.
Tips During Your Search

Don't get discouraged

FOMO
5. Escrow Period

Congrats! Your offer was accepted! Begin your official loan application

Do's and Don'ts
- Do not open any new lines of credit
- Do not purchase or lease any large amounts of furniture
- Do not purchase a car or charge/pay for any large purchases.
- DO provide your lender with all documents in a timely manner
- DO communicate with the lender about any gift money or other concerns with finances
- DO continue to keep your finances stable.
Questions?
6. Contingencies

Different Tests and Contingencies

- **Home Inspection**: Examines the safety conditions of a home.
- **Lead Based Paint**: Affects housing built before 1978.
- **Appraisal**: An appraisal is an assessment of the *fair* value of a property. Different from *market* value.
- **WDI Inspection**:
- **Septic Tank**:
- **Well Inspection**:
- **Home Owners/Condo Association**:
Condo vs. HOA

**Condo**

Monthly fees can typically be higher. Cover more utilities and more common area. Typically covers amenities, gym, etc. (if offered)

**HOA**

Monthly fees can typically be cheaper than condos. Typically doesn't cover utilities except maybe trash. Typically covers playgrounds and other community amenities
7. Closing Disclosure

What is a CD?

- a five page form that provides final details about the mortgage loan you have
- includes loan terms, projected monthly payments and more
- includes other costs associated with closing and how much you need to bring to the table, if any.
8. Closing Day

**Wire Fraud**
- its real and important
- Do not trust any email or call saying the wiring instructions have changed.
- Most title companies have a secure portal. Only trust items through that
- Concerns? Call title company directly and call agent.

**What to bring?**
- Money needed to close should have already been wired to title company directly
- Identification/Drivers License
- Voided check for any overages
....So Now What?

Scan to schedule a consultation with me and to view all my social links.

Lets get started!

Whether you're ready to buy in 1 month, 1 year, or 3 years, the best thing to do is get your ducks in a row!
Questions?

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