

buyer's GUIDE



FOR A SUCCESSFUL DREAM HOME PURCHASE



ADAM BUGOS | WINCHESTER SALES TEAM | THE REAL ESTATE GROUP



Hello, I'm Adam, and I proudly advocate for homeownership for those aspiring to buy a home.

Home is so much more than just four walls and a roof! It's a treasure trove of cherished memories, laughter with your favorite people, and that cozy corner where you can lounge in your fuzzy socks. However, when the time comes to embark on the exciting journey of finding a new home and starting a thrilling new chapter, it can feel as if you're trying to solve a Rubik's Cube while blindfolded! The home-buying adventure can certainly be an emotional rollercoaster, which is why it's understandable to feel a bit anxious. But don't worry! Together, we can guide you through the process effortlessly. We'll outline the steps and develop a plan together, so you won't have to carry the weight alone. From establishing a budget to discovering the perfect neighborhood, negotiating favorable terms, and ensuring a seamless closing, this booklet will serve as your trusted guide.

Adam Bugos



Should you hire a Realtor for your home purchase?

ABSOLUTELY!

UNREPRESENTED CONSUMERS ACCOUNT FOR 70% OF ALL REAL ESTATE LAWSUITS.

Are you obligated to hire a real estate agent when buying a home? The answer is no. However, similar to choosing a professional haircut instead of trying to do it yourself, there are strong reasons to think about enlisting an expert. After all, you probably wouldn't want to go through life with messed up hair.

Purchasing a home often constitutes one of the largest financial investments you will make. The journey can be filled with potential challenges, and without the right expertise, these problems can quickly magnify.

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About me

ADAM BUGOS, MRP

Military Relocation Professional

REALTOR
BROKER
PARTNER
VETERAN



In 1999, I jumped into action with the Iowa Army National Guard as a 12B Combat Engineer with the Co C 224 Engineers. Fast forward to 2001, and I received my degree in electrical mechanics. Immediately after, I dove headfirst into the delicious world of meat processing at Armour Foods. A few years down the line, I pulled off a stunning feat by becoming the youngest Union President, ever at the age of just 28. Shortly after, in 2009 I packed my bags and waved goodbye to my small Southeast Iowa town for a job adventure in the Land of Lincoln. I sharpened my skills as a contract negotiator and champion for employees. But when the position was moved to Chicago in 2015, I pivoted like a pro from benefits negotiator to Real Estate Agent. And guess what? It was a slam dunk! All thanks to my unstoppable drive, negotiation know-how, and friendly-yet-professional vibe. I'm your go-to Realtor for buying or selling your dream home!

BEST OF SPRINGFIELD 2019 Illinois Times WINNER

BEST OF SPRINGFIELD 2022 Illinois Times WINNER

MRP Military Relocation Professional

NATIONAL ASSOCIATION OF REALTORS® LEADERSHIP ACADEMY

Top five Realtor for Illinois Times Best of- Realtor:
2018, 2019*, 2020, 2021, 2022*, 2023, & 2024!
*Winner in 2019 & 2022!

WHY HIRE A TEAM?

When purchasing a property, having a dedicated real estate team by your side can significantly impact your experience. They will not only be readily available to answer your calls and show you properties, but they will also provide a wealth of knowledge and expertise.

As you make one of the most significant financial decisions of your life, it's crucial to have a range of options at your disposal. Our team will create a tailored plan specifically for you.

Our mission is to secure the best deal for you, often utilizing our combined skills and extensive networks.

While we customize our approach to meet your needs, we also systematize our paperwork process, ensuring you are always informed about what to expect next.

SAY HELLO TO MY TEAM...



Winchester Sales Team

SUCCESSFUL
BUYING PROCESS



I KNOW THAT BUYING A NEW HOME CAN BE STRESSFUL...

But it doesn't have to be. Instead it can be the glorious start to a new chapter. The anticipation of creating new memories in a home that better serves your needs. We're here to help you determine your budget, find the perfect neighborhood & hear "OFFER ACCEPTED!"

Moving to a new home is EXCITING and we can't wait to help you every step of the way.



Adam Bugos

HOW DOES A REAL ESTATE TRANSACTION WORK?

PICK A REALTOR
BUYER AGREEMENT SIGNED

GET PRE-APPROVED
WE'LL GET YOU IN CONTACT WITH SOME OF THE BEST LOCAL LENDERS IN OUR MARKET TO GET YOU THE BEST DEAL!

SHOWINGS!
FIND YOUR DREAM HOME!

LOAN EVALUATION
BEFORE MAKING AN OFFER, TALK WITH YOUR LENDER TO DETERMINE THE HOME IS IN YOUR BUDGET

WRITE YOUR OFFER!

OFFER PRESENTED
BUYER'S REALTOR PRESENTS OFFER TO SELLER'S REALTOR, WHO CONVEYS IT TO SELLER

PURCHASE NEGOTIATION
SALES PRICE, TERMS, AND CONTINGENCIES ARE NEGOTIATED & AGREED UPON.

SALES AGREEMENT EXECUTED

ITS FACEBOOK OFFICIAL!

GOOD FAITH DEPOSIT/EARNEST MONEY
BUYER SUBMITS EARNEST DEPOSIT TO TITLE COMPANY

INSPECTION PERIOD
BUYER BEGINS INSPECTION PERIOD

LOAN APPLICATION PROCESSED & APPRAISAL ORDERED

TITLE SEARCH
CONCURRENT WITH LOAN PROCESS, CLOSING AGENT CONFIRMS SELLER HAS CLEAR RIGHT TO SELL PROPERTY & ESTABLISHES FACTS, SUCH AS WHETHER THERE ARE ANY RESTRICTIVE COVENANTS ON THE USE OF THE PROPERTY

CONTINGENCIES SATISFIED
ONCE FINANCING IS COMPLETE, INSPECTION REPAIRS MADE, APPRAISAL COMPLETE, CONTINGENCIES ARE DROPPED OFF.

CLOSING DOCS ISSUED
LENDER PROVIDES LOAN ESTIMATE & CLOSING DISCLOSURES DETAILING ALL TERMS & COSTS

FINAL WALK THROUGH
1-2 DAYS PRIOR TO CLOSING, BUYER CONFIRMS THAT THE HOME IS IN THE SAME CONDITION AS WHEN PURCHASED & ALL AGREED UPON REPAIRS HAVE BEEN MADE





MEET WITH YOUR LENDER

With a clear vision of your goals and the figures you aim to achieve, it's time to connect with a lender. Every buyer needs to obtain a pre-approval before viewing any homes. Some listing agents may ask for pre-approval letters before scheduling showings. This practice ensures that sellers are not preparing their homes for buyers who aren't ready to make a purchase. Your pre-approval will accompany any offers, signaling to sellers that you can obtain financing for their property. After securing your pre-approval, revisit your 'must-have' list to confirm that those items can realistically be secured within your budget.

You'll need 2 years of tax returns (if you're self employed), 2 bank statements, a copy of your State issued ID, proof of income (W-2's), and the lender will pull your credit report. Some lenders provide "soft pulls" at first and a "hard pulls" just before closing. Either way, its always best to rip the bandaid off and see where you stand. Great lenders will coach you on how to get the best deal, even if that timeframe might be months away.



I understand, the often-feared budget discussion. However, if you have a clear understanding of your budget, this process will be much easier. It is essential to discuss your budget with your lender, but take some time to figure out what monthly payment feels manageable for you and your family right now. The lender may offer to lend you more than you can comfortably afford, but be cautious of this. You cannot borrow more than the lender has pre-approved you for, but you can definitely stay under budget. As a general guideline, it's advisable that your mortgage payment not exceed 1/3rd of your take-home pay. That being said, there are exceptions based on your life stage. Here are a few points to consider:

- Are you at the beginning of your earning potential? Or calculating or getting the loan in one person's income while in a 2 or more income household? If so, you might consider stretching your budget a little. This sometimes applies to young professionals, whose entry-level salaries have plenty of room for growth in the coming years. In this case, it may be reasonable to take on a slightly higher monthly payment, knowing you can adapt later.
- Are you nearing the end of your earning potential? If that's the case, it may be wiser to stick to a more conservative monthly budget.

"I want you to know that no matter what your budget looks like, the most important thing to me is your well-being. I truly don't want you to feel overwhelmed or stretched too thin. Life is meant to be enjoyed, and you shouldn't feel tied down by a mortgage payment. It's essential to leave room in your life for the things that bring you joy—whether it's taking that long-awaited vacation or simply treating yourself to something special. You deserve to live fully and happily!"

Adam

Agent COMPENSATION



Within real estate transactions, there are usually two agents at play. One agent works for the seller, while the other advocates for the buyer. Each agent strives to establish terms that are favorable for their respective clients.

Generally, sellers provide 3% of the purchase price to their own agent and 3% to the buyer's agent. Although new NAR (National Association of Realtors) regulations prevent us from offering buyer compensation within the MLS (Multiple Listing Service), it is still advisable for sellers to offer a compensation to a buyer's agent.

Sellers are not obligated to provide compensation to a buyer's agent, which means that buyers should be ready to cover their agent's fees if necessary. As your buyer's agent, my role is to secure the best possible conditions for your purchase, which is why we will strive to negotiate a commission structure that is funded by the seller.

WHY SELLERS ARE STILL COVERING THE BUYER'S AGENT COMPENSATION

- **It makes their listing more appealing.** Buyers face a lot of upfront costs when purchasing a home, seller's covering this cost allows buyers to afford more.
- **It creates a smoother transaction.** A represented buyer is a buyer that is educated with an agent working to make sure we get everyone to the closing table.
- **It causes the funding process.** The buyer purchasing the home is the first domino causing the funding for the entire transaction, without their money, there is no sale.

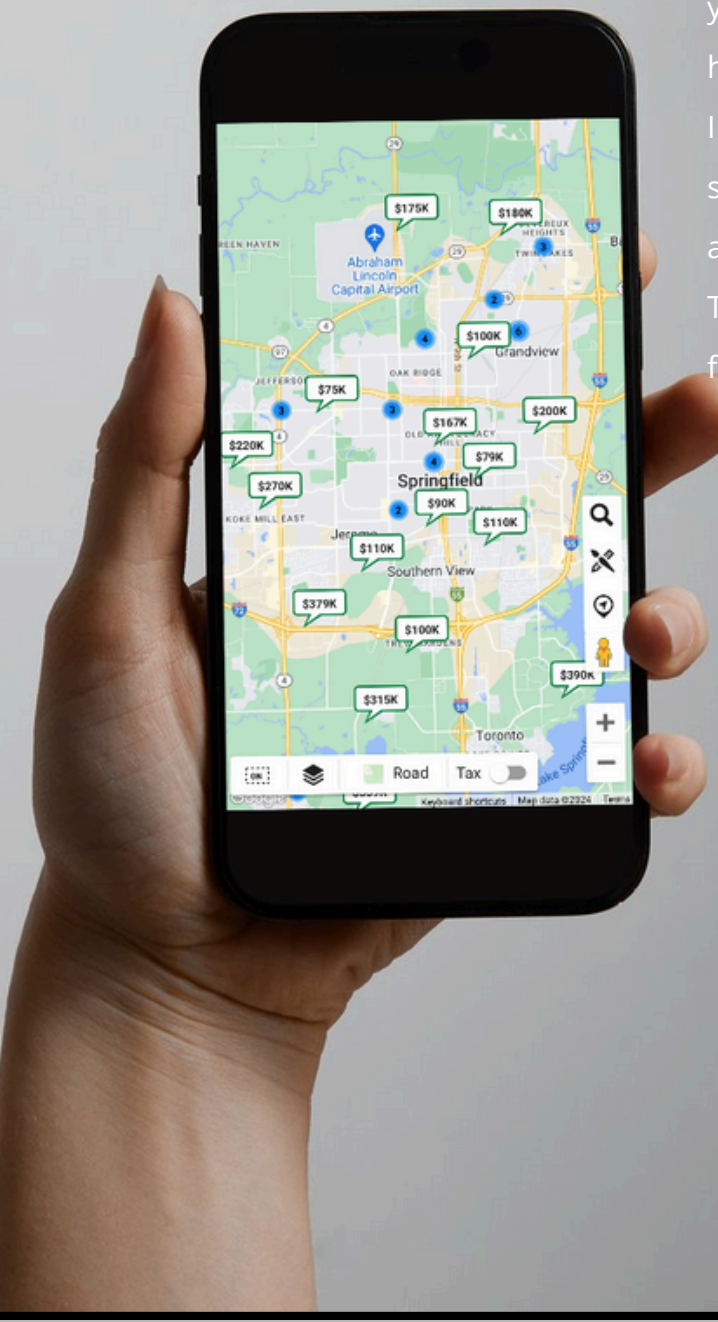
New Home
WISH LIST

Exploring the Excitement of Buying a New Home

Purchasing a new home is incredibly enjoyable, and this is the time to let your imagination run wild with possibilities. I would like for you to set aside any limitations regarding budget and location and jot down everything you would love to have in your dream home. Once that is complete, lets begin to organize and prioritize them, narrowing the list down to the top 10 amenities with three or four must-have dealbreakers. It's crucial to do this before starting the house hunt to avoid being sidetracked by properties that may seem appealing but don't truly meet your needs. We will refer to this list while visiting homes. For instance, if having a pool is on your MUST HAVE list, we'll only consider homes that feature pools or are priced in a way that allows for one to be added later. This approach saves everyone valuable time and ensures you find exactly what you desire. once we find a house with all of your must-haves and 7 out of 10 amenities on your list, it’s time to jump.



Setting up your
ONLINE HOME SEARCH



Now it's time to embark on your journey to find a new home! We'll streamline this process by creating a personalized home search tailored to the criteria you've provided. This is called your collaboration center, from here you will receive immediate updates for new listings. If something catches your eye, just let me know, and I'll arrange a tour of the home.

I always suggest doing a drive-by before we schedule our first showing on a particular property. This helps ensure that the area, yard, neighbors, and view meet your expectations.

To make this experience as enjoyable as possible, here are a few guidelines:

- If you use third-party websites for your search, stick to the budget you agreed upon with your lender. Looking at homes outside of your budget can create unnecessary confusion and often leads to disappointment regarding what you can actually afford.
- Avoid clicking on “more information,” “ask a question,” or “contact seller” on sites like Zillow or Realtor.com. These platforms sell your information to other realtors who may then bombard you with offers for showings. If you come across a for-sale sign or see something interesting online, I'm always here to assist you with those inquiries.

Winchester Sales Team
The Real Estate Group Inc.

What's your TIMELINE?



Are you currently renting? Do you need to sell your existing home before buying the next? Closings usually take about 30 to 45 days, so be sure to coordinate your timelines accordingly. If selling your current home is necessary for purchasing a new one, it's crucial to have it cleaned and photographed before you start viewing new properties.

If you're renting, your first mortgage payment typically isn't due until 45 to 60 days after closing. This can help you avoid the burden of paying both rent and a mortgage simultaneously.

Picking the right HOME

- **You will know when the house you are looking at is "the one"**. It generally takes about 45 seconds to "know".
- **Go back to your list.** Does it hit 7 of the 10 items you are looking for?
- **Check the mechanicals.** How's the furnace/AC, electrical, structure, plumbing, any other updates?
- **Check the workmanship.** Is the owner a "handyman" owner? Sometimes that's okay, but you need to know what to look out for.
- **Is it priced okay?** How is the market value?
- **Check the resale value.** Pay attention to the neighbors; yards, roof, condition of home.

Most importantly, can you see yourself living there?

Showing ETIQUETTE

- If you see a property you want to look at, send a text with the house number and street name. We get a lot of houses that are listed on the same street in similar price-points.
- Showings are generally 9am until 7pm, any day of the week besides holidays. Evenings and weekends are very common.
- Please refrain from looking around until your Realtor arrives. The property belongs to the seller, and we are permitted access only during scheduled showings.
- Only look inside what's considered "real property". These are the items that stay with the home. I will be able to let you know what appliances stay with each property. Closets, medicine cabinets, kitchen cabinets almost always convey with the property.
- Be considerate regarding muddy or wet shoes.
- Keep in mind that someone may still be living in the home, so we have to respect their space, particularly if we have young children present.
- Cameras are typically present, so please save any discussions about pricing or anything that may upset the seller until after the showing.
- If the home is ruled out early due to the layout or a bit of a funk, we won't stay to continue to look. if its out, we're out and we'll move on to the next one.



We Found it!!



This is the moment when the process truly becomes "real"! You should have a pit in your stomach and feel a crazy rush of emotions. This is normal! You'll need to write a check for earnest money. Consider the terms for the home, such as:

Home warranty?
Home inspections?
Radon inspection?
Personal property?
Closing dates?

The negotiation process begins in writing, followed by verbal negotiations, and then returns to writing. The best Realtors possess strong negotiation skills. Consider various tactics, such as win/win strategies, hardline approaches, bulldozer tactics, and even love letters. Once the purchase contract is signed by all parties, it transforms into a legally binding agreement. Then the countdown to closing begins!



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Navigating Multiple Offers:

STRATEGIES FOR SUCCESS

Embrace the reality of multiple offers.

- Best practices for winning:
  - An Escalation Clause allows us to offer an amount that increases based on competing offers. For instance, we can propose to pay $2,500 more than the highest bid, up to a specified limit.
  - Should you include a “love” letter? This can be advantageous in certain situations and is worth considering.
- Evaluate your terms.
  - Is the home pre-inspected? Determine which inspections can be waived to enhance the attractiveness of your offer.
  - What are the seller's needs? Part of my role involves understanding what the seller values, such as preferred closing dates, inclusion of personal property, or securing the highest monetary offer.
- Identify your "bummer number." What price would upset you if you found out the home sold to someone else for a given amount? If you learned a $125k house sold for $127k, and you would have paid that, we need to know that. It doesn’t mean we will go higher, but we need to use this figure alongside the escalation clause to avoid overpaying.



Recognize the stress involved. The experience is a whirlwind of emotions in any market, and it can be even more intense in the current climate.

You're under contract!!!

NOW WHAT?

Once we have an accepted contract, we send it to the Title Company who will facilitate the closing documents. The Title Company works with all parties involved (buyer, seller, both agents and lender) to compile all the documents necessary to close.

1	2	3
EARNEST DEPOSIT	INSPECTION	APPRAISAL

THE DETAILS...

1

EARNEST DEPOSIT: Your earnest deposit is typically 1% of the purchase price. Once all contingencies are met, your earnest money will be non-refundable and will be applied towards your down payment or "cash to closing". Occasionally, you will receive that back by check at closing

2

INSPECTION PERIOD: This is your time to do all of your due diligence on the property. It is HIGHLY recommended that we hire a professional inspector to inspect the major components of the home.

3

APPRAISAL: Once the inspection is complete the next contingency to remove is the appraisal contingency. Most loans require an appraisal prior to funding.

INSPECTIONS!

Whole Home - Radon - Termite
Well Water - Septic - Survey







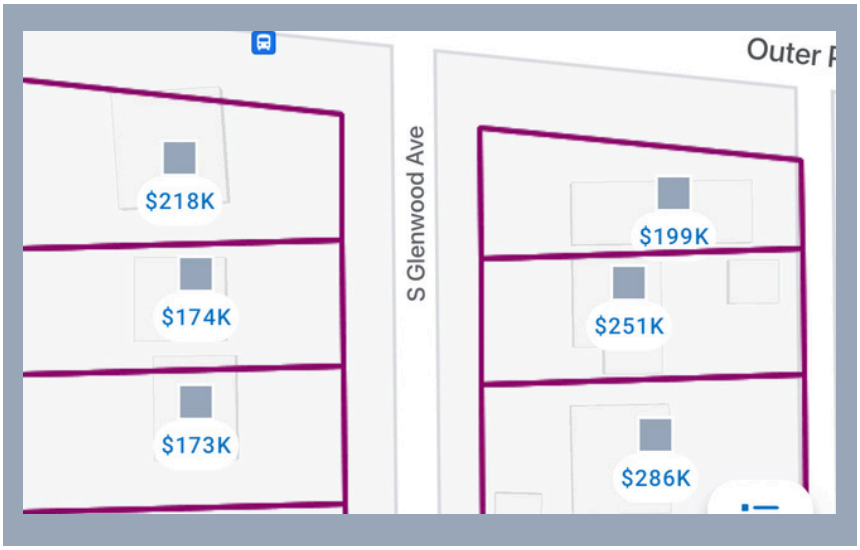
Now is the time to conduct a thorough inspection on the property. You can search online for options, or I'd be glad to share a few companies I've previously collaborated with; ultimately, the choice of inspector is yours. The inspector will examine the attic, assess the air conditioning, test all faucets, inspect the electrical system, look at the structure and all major components of the home and identify any issues. They will then provide you with a detailed report, often spanning dozens of pages, you want them to be meticulous! This report will highlight everything that is functioning as intended and anything that requires attention. When we write the offer we will inform the sellers at that time what we intend to do with the information we find out from the Inspections. We can purchase the home as-is and promise not to ask for any repairs, but have the ability to terminate the contract with no recourse or we may request the ability negotiate repairs or replacements from the seller for any items that are not in proper working order. Please note that you cannot request repairs for items that are functioning correctly. Some inspections are required by financing, so having your loan type at the time of the offer is very important.



APPRAISAL

Once the inspection is complete, the next contingency to navigate is the appraisal contingency. An appraisal acts as a safety measure for the bank, ensuring they do not overextend their lending on a property. A third-party appraiser is assigned to determine the property's value. Most loans necessitate an appraisal, and if the home does not meet the agreed purchase price, both buyers and sellers have various options. The buyer can decide to cancel the contract and receive a full refund of their earnest money, or they can renegotiate the price with the seller. Alternatively, the buyer may choose to pay the cash difference between the appraisal value and the loan amount at closing.

Once the appraisal contingency is resolved, the buyer's earnest money typically becomes "hard." This means that if you decide to cancel the contract, you will likely lose your earnest money deposit.



Other CONTINGENCIES



SALE CONTINGENCY

If you're selling your current home in order to buy your new home, you'll have this contingency as well that needs to be fulfilled before your earnest money goes hard. We'll go over all of these dates so you know exactly what is expected of you and the sale of your home.

FINANCING CONTINGENCY

During this time, it's imperative that you stay in close contact with your lender. They'll need specific paperwork and information only you can provide them. It is also of the upmost importance that you refrain from any other major purchases that could impact your financing. This would be buying a new car or boat or swiping your credit card for furniture for the new house. These purchases can negatively impact your debt to income ratio and implode your deal before it's done. Hang tight until we close on your dream home and then you have full reign to get that home furnished or buy that new car.





FINAL WALK THROUGH

This is the grand finale before the curtain falls on your home-buying journey! A day or two before closing, you get to walk through your soon-to-be home one last time. It’s your moment to check that all those repair wishes have come true and that the house still looks as fabulous as you remember. And hey, don’t freak out if you spot a mountain of boxes in the garage—those sellers are in full-on moving mode, too!



CLOSING DAY

Closing Day: A Day of Excitement

- This day is thrilling, marking the culmination of hard work and wise decisions.
- Attendees include the closing agent, lender, sellers, seller's agent, you, and your own agent.

What to Expect:

- Prepare for a significant number of signatures and initials!
- It will probably be much less stressful than you anticipate.
- You'll have the opportunity to meet the seller in person to ask any questions, but remember to stay focused!
- Since this is the final step in the process, any hiccups are uncommon.

The good news? Once the funding is complete, we can hand over the keys to your new home!

what others

ARE SAYING



★★★★★

THE NICOLS

We had a great experience with Adam when purchasing our first home. Adam will respond to your random questions or houses you've found at all hours of the day and is very quick to do so! He is so flexible and accommodating to what works for your schedule. We really appreciated all that he did for us, not to mention he is hilarious and so fun to be around! Thanks so much Adam!

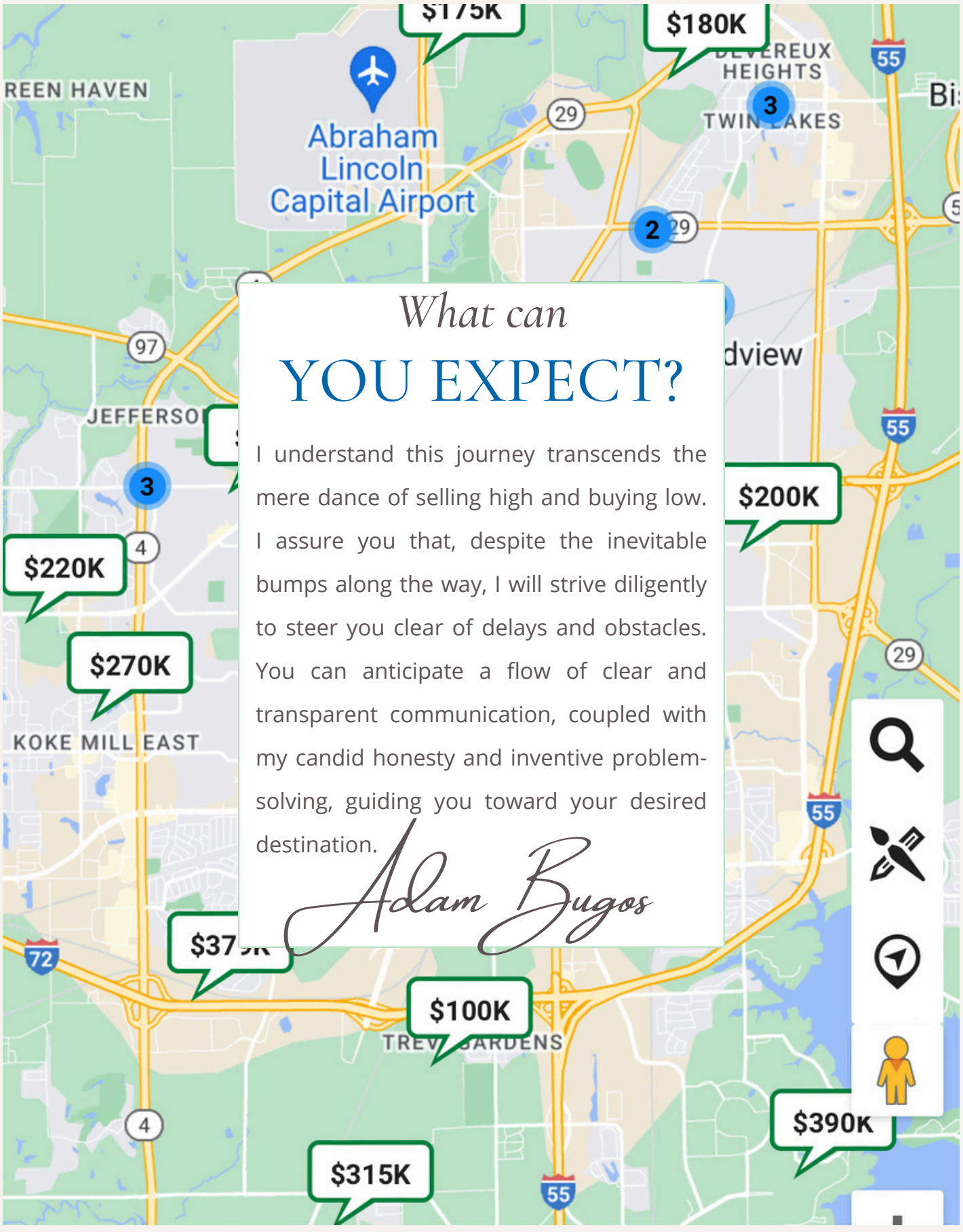


★★★★★

LUCY HALLE

I worked with Adam for several months before finding the perfect home. He was very patient, knowledgable and dependable. He was always available to answer any questions I had at all hours of the day. I would highly recommend Adam to anyone looking for a home.

Winchester Sales Team
The Real Estate Group Inc.



What can

YOU EXPECT?

I understand this journey transcends the mere dance of selling high and buying low. I assure you that, despite the inevitable bumps along the way, I will strive diligently to steer you clear of delays and obstacles. You can anticipate a flow of clear and transparent communication, coupled with my candid honesty and inventive problem-solving, guiding you toward your desired destination.

Adam Bugos

READY TO BUY?

KEEP US POSTED ALONG THE WAY!

BUY OR SELL WITH US,
USE ONE OF OUR
TRUCKS FOR FREE.







GET IN CONTACT



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