

HOME BUYER'S GUIDE

THE COMPLETE HOME BUYER HANDBOOK

Navigating the Path to Your Dream Home in MN

Rami
HANSEN

Ryker
HANSEN

Edina Realty.®



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BUYERS

“

Rami went the extra mile for our family as we transitioned to Minnesota. We have relocated 6 times & this time was by far the best experience we ever have had. Thank you Rami for everything.

AMBER



RAMI HANSEN

RYKER HANSEN

→ **15 YEARS OF EXPERIENCE**

→ **OVER 550 PROPERTIES SOLD**

→ **FIVE STAR GOOGLE REVIEWS**

→ **SPECIALIZING IN NEW CONSTRUCTION &
EXCEPTIONAL PROPERTY SALES – RAMI**

→ **SPECIALIZING IN FIRST TIME HOME BUYERS &
SELLERS THROUGHOUT SE MINNESOTA &
BEYOND – RYKER**

BY THE NUMBERS

We take immense pride in being among the top 3% of Minnesota Realtors multiple years over. With a track record that speaks volumes, amassing over 550 successful closings with satisfied clients. Our commitment to excellence and passion for delivering exceptional service is what sets us apart.



6%



53%



23%



8%

COMPARATIVE MARKET ANALYSIS

% of buyers want to know the worth of nearby homes.

FINDING THE RIGHT HOME

% of buyers look to an agent to help them find the right home to purchase.

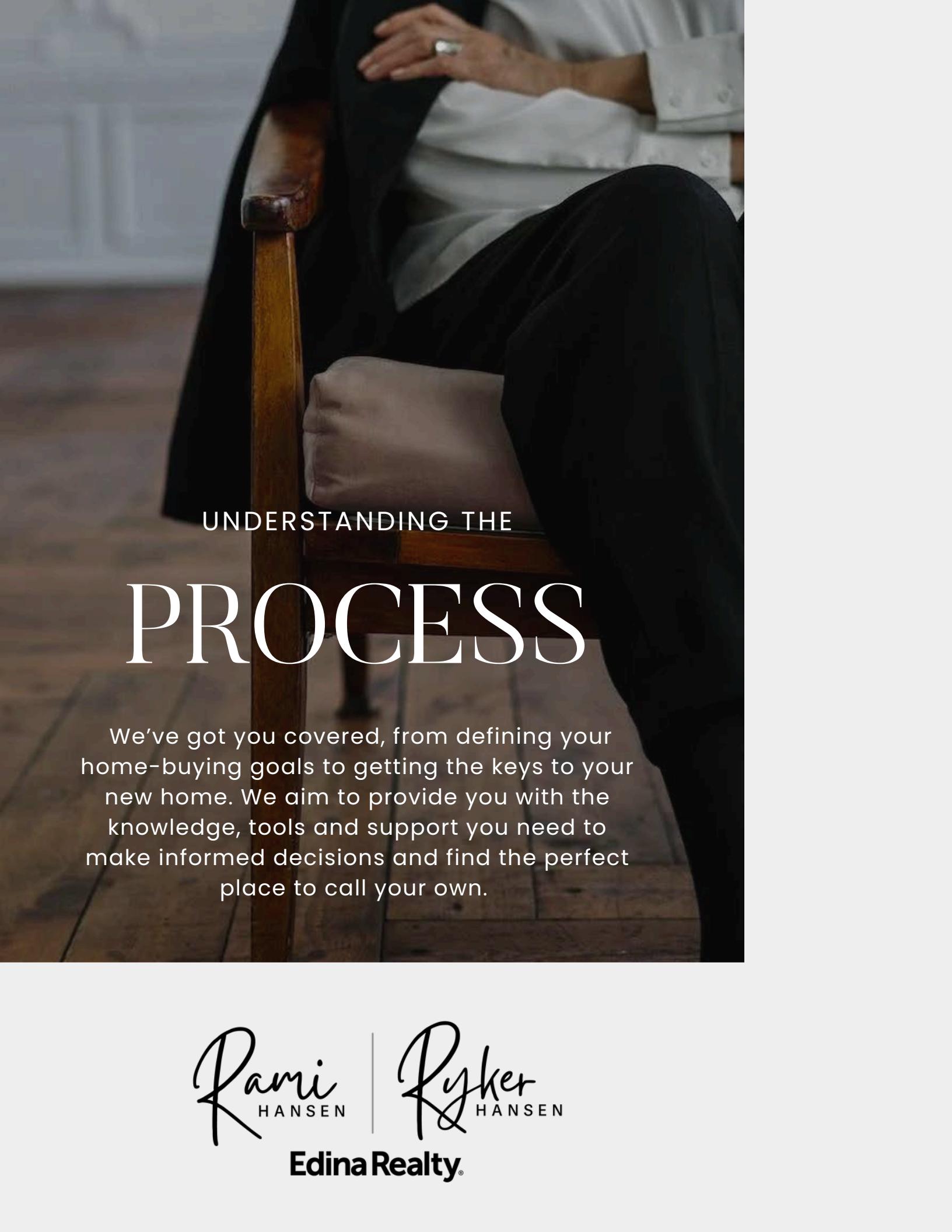
NEGOTIATIONS

% of buyers depend on their agent to negotiate the price and the terms of the sale.

PAPERWORK

% of buyers need their agent's help with paperwork.

THE STATS PRESENTED ON THIS PAGE ARE FOR INFORMATIONAL PURPOSES ONLY, PAST RESULTS ARE NOT INDICATIVE OF FUTURE OUTCOMES,



UNDERSTANDING THE
PROCESS

We've got you covered, from defining your home-buying goals to getting the keys to your new home. We aim to provide you with the knowledge, tools and support you need to make informed decisions and find the perfect place to call your own.

Rami
HANSEN | *Ryker*
HANSEN

Edina Realty.



02 CHOOSE AN AGENT

One whose personality meshes with your own and whose experience can work in your favour!

03 GET INFORMED

Learning about the current market conditions will give you a leg up when looking for a house.

05 FIND YOUR HOME

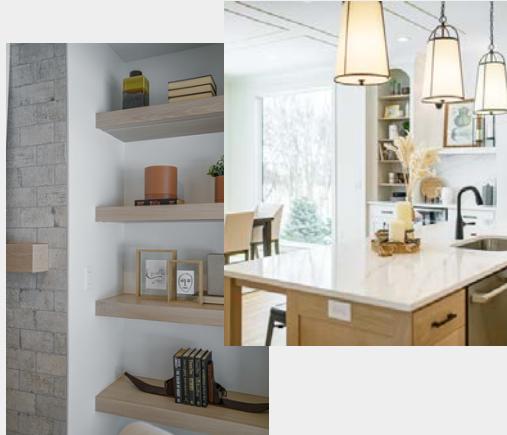
We'll take note of your requirements and start searching for properties that fit the bill!



The Timeline

01 GET PRE-APPROVED

From knowing what you can afford to being more attractive to sellers, this step is essential.



04 HOUSE HUNTING

Consider what's important to you when choosing an area like schools and commuting time.

06 MAKE AN OFFER

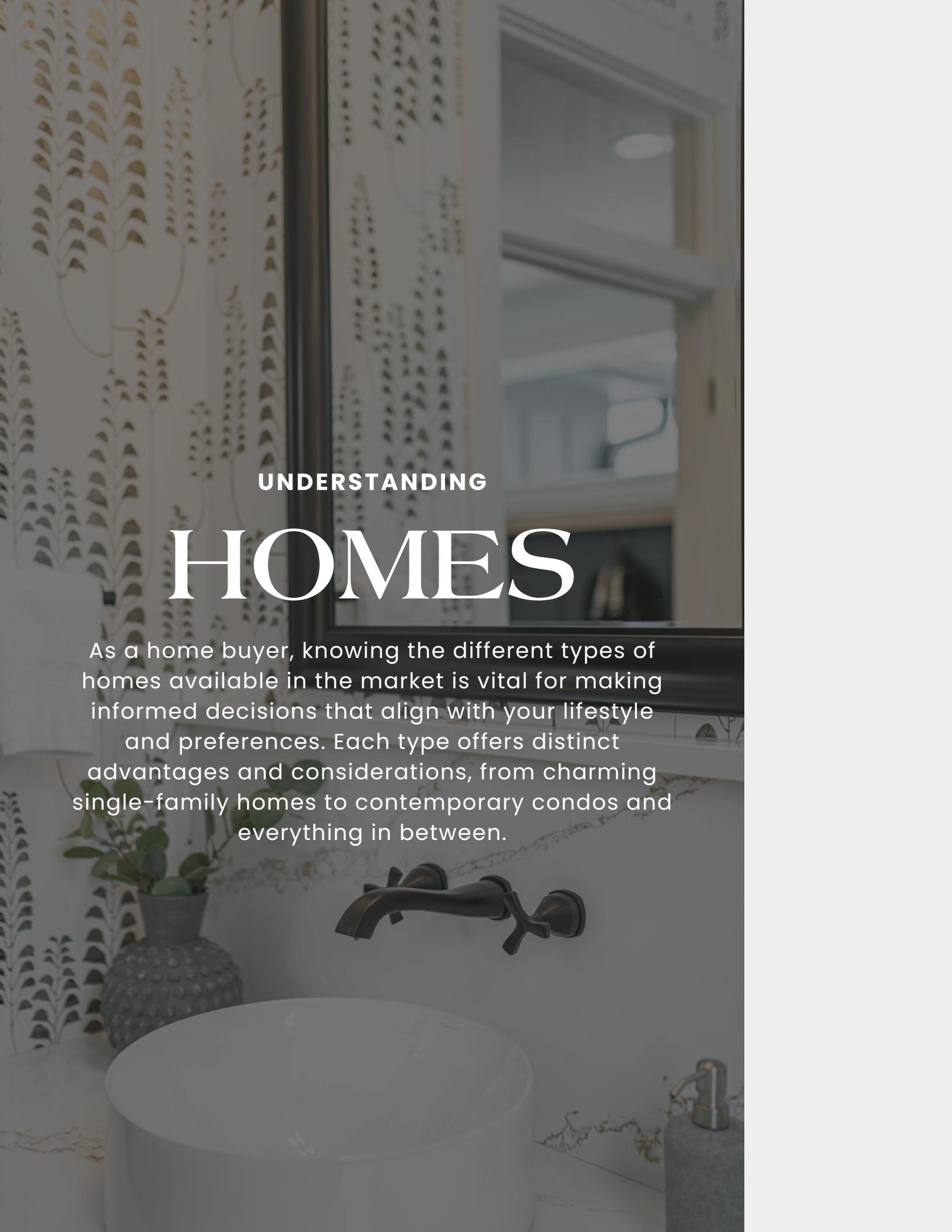
From knowing what you can afford to being more attractive to sellers, this step is essential.

07 MOVING DAY

Celebrate settling into your new space with a clear plan to make moving day smooth and stress-free.

Negotiation





UNDERSTANDING

HOMES

As a home buyer, knowing the different types of homes available in the market is vital for making informed decisions that align with your lifestyle and preferences. Each type offers distinct advantages and considerations, from charming single-family homes to contemporary condos and everything in between.

WHERE SHOULD YOU LIVE?

HOME TYPES



NEW CONSTRUCTION

You can either purchase your own land and contract with a builder or you can select a move-in-ready home designed by the homebuilder.

FOR YOU IF: You want control over the process and a fresh new home to move into.

SINGLE-FAMILY HOME

Your very own oasis! No shared walls, roof, doors, or land. Just for you! Relax and feel at home!

FOR YOU IF: You want to prioritize your privacy and personalize your dream home!

TOWNHOME

One unit in a multi-unit property. You'll share walls and a roof with neighbours with maintenance covered by a monthly homeowners association fee

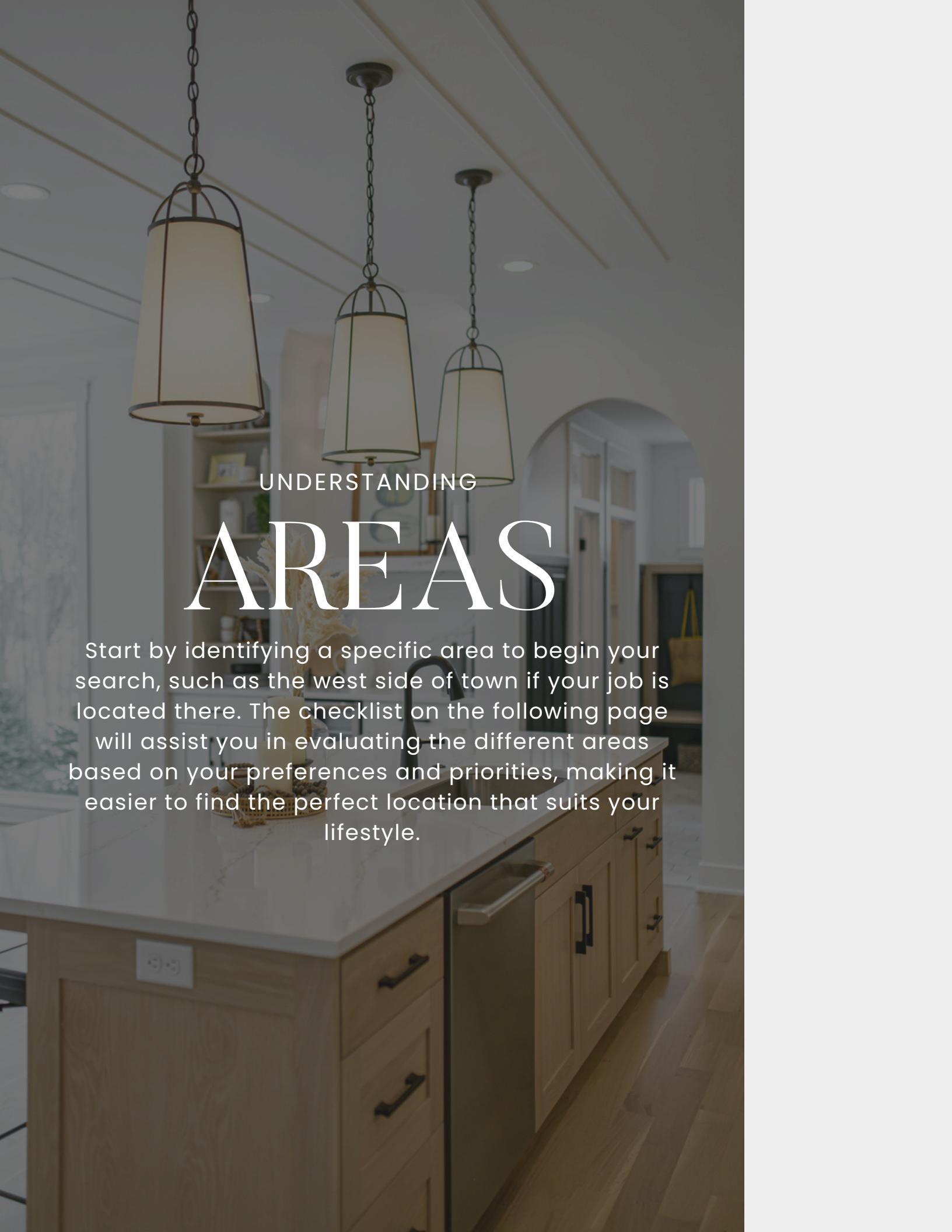
FOR YOU IF: Want the feel of a single-family home but at a lower price.

CONDO

A single unit within a multi-unit building or property. Shared amenities like a laundry room, pool, dog-walking area, and fitness center.

FOR YOU IF: You want a typically more affordable option and less maintenance.





UNDERSTANDING AREAS

Start by identifying a specific area to begin your search, such as the west side of town if your job is located there. The checklist on the following page will assist you in evaluating the different areas based on your preferences and priorities, making it easier to find the perfect location that suits your lifestyle.

NEIGHBOURHOOD CHECKLIST

SAFETY + SECURITY

- Low crime rates
- Well-lit streets
- Neighbourhood watch programs
- Nearby police and fire stations

AMENITIES + COMMUNITY

- Nearby parks, playgrounds, shopping, Entertainment
- Fitness centers, sports facilities, and dog parks
- Vibrant community, friendly neighbours

SCHOOLS + EDUCATION

- Proximity to quality schools
- School ratings and performance
- Availability of childcare

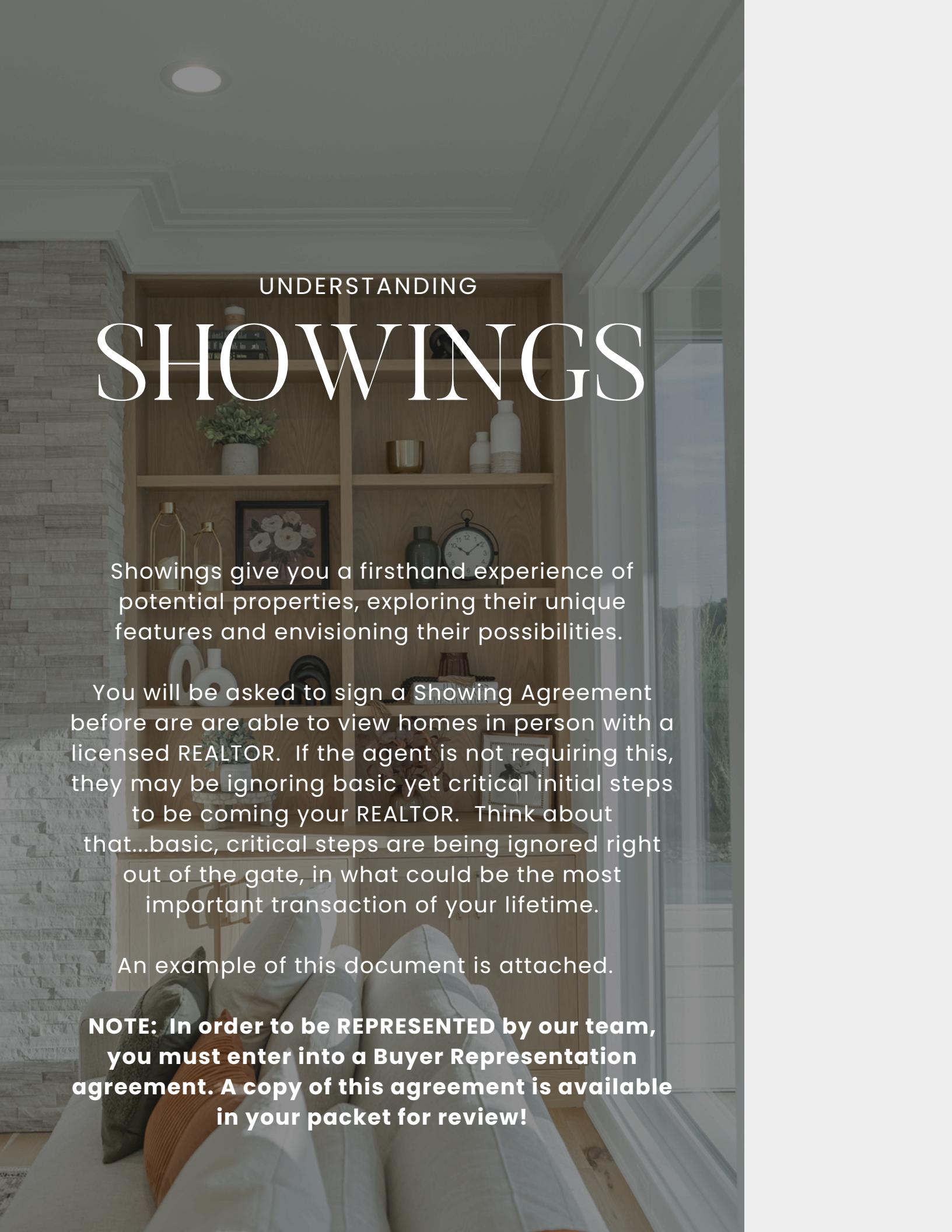
FUTURE DEVELOPMENT + VALUE

- Check for any upcoming construction projects
- Potential impact on property values and lifestyle
- Historical property value trends in the area
- Projections for future property appreciation

COMMUTE + ACCESSIBILITY

- Distance to work and public transportation
- Traffic during rush hours
- Proximity to major highways





UNDERSTANDING SHOWINGS

Showings give you a firsthand experience of potential properties, exploring their unique features and envisioning their possibilities.

You will be asked to sign a Showing Agreement before you are able to view homes in person with a licensed REALTOR. If the agent is not requiring this, they may be ignoring basic yet critical initial steps to be coming your REALTOR. Think about that...basic, critical steps are being ignored right out of the gate, in what could be the most important transaction of your lifetime.

An example of this document is attached.

NOTE: In order to be REPRESENTED by our team, you must enter into a Buyer Representation agreement. A copy of this agreement is available in your packet for review!

Edina Realty®

Showing Agreement

This Showing Agreement is entered into between Edina Realty and the prospective buyer(s) ("Buyers") named below.

Services. Edina Realty agrees to show properties upon request of Buyers, and Buyers will identify any properties in which they have interest to Edina Realty. Edina Realty is not providing any further services, such as presenting or negotiating offers on behalf of buyer, or otherwise advocating for Buyers. For full representation including these services and others, ask about a Buyer Representation Agreement.

Agency. While showing properties to Buyer, Edina Realty will be acting as a facilitator, unless a property shown is listed by Edina Realty. In that case, Edina Realty will act as the listing broker representing the seller.

No Compensation. Buyers have no compensation obligation under this Showing Agreement. Edina Realty cannot receive any compensation from any source for these services to Buyers unless Buyers and Edina Realty enter into a separate agreement. Commissions in the real estate industry are not set by law and are fully negotiable.

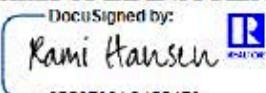
Termination. Either party may terminate this Showing Agreement at any time with notice to the other party.

BUYERS

DATED: _____

DATED: _____

On behalf of EDINA REALTY:

DocuSigned by:

Kami Hansen
0753F00AC1554F0...

DATED: _____

By:

Homework



As we view properties, your list of homes might change, so it's a good idea to start with your initial preferences and adjust as we move forward. Before showings, create a list of must-have features: bedrooms, bathrooms, location, schools, amenities, property type, and lifestyle preferences.

YOUR HOMEWORK

Create a checklist with three categories: "Must-Have," "Need-to-Have," and "Deal Breaker." As you evaluate different options, consider the following factors:

Type → **Single-Family, Semi, Townhouse, Condo, Co-op**

Area → **What neighbourhood or type of area did you have in mind?**

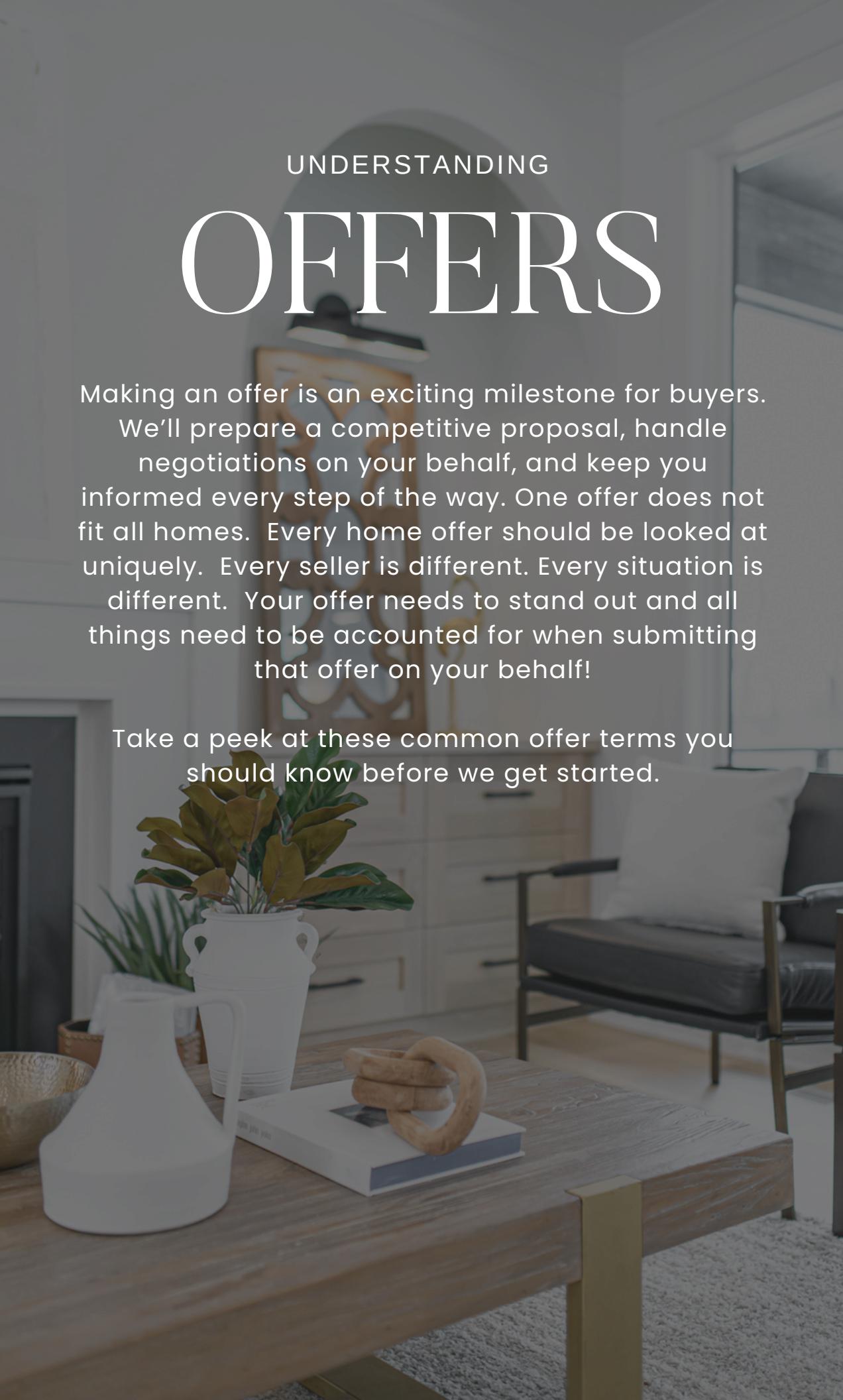
Features → **Make a list of must-haves and deal breakers**

UNDERSTANDING OFFERS

Making an offer is an exciting milestone for buyers.

We'll prepare a competitive proposal, handle negotiations on your behalf, and keep you informed every step of the way. One offer does not fit all homes. Every home offer should be looked at uniquely. Every seller is different. Every situation is different. Your offer needs to stand out and all things need to be accounted for when submitting that offer on your behalf!

Take a peek at these common offer terms you should know before we get started.



MAKING IT MAKE SENSE

Defining common offer terms



Price Point: Research comparable sales to make a competitive offer. (Determine a fair and attractive price based on recent sales of similar homes.)

Multiple Offers: In competitive offer situations, we may need to offer more than the initial budget and remove protective conditions from the offers.

Contingencies: Include essential ones, and be flexible with timelines. (Add necessary contingencies such as inspections, sale of properties and financing).

Closing: Propose a realistic date, and accommodate the seller. Suggest a reasonable closing date that works for both parties schedules.

Deposit: Offer a substantial deposit to show commitment. (Demonstrate seriousness by providing a sizable earnest money deposit.) We usually recommend roughly 1% of the asking price.

Trust: We're here to take care of all the hard stuff and help you navigate the offer process effectively. When you work with us you are never alone.

BREAKING IT DOWN

Congratulations, you've found your new home. The one of your dreams! Now it's time to make your offer. There are a few strategies that can help you expedite the process and put you ahead of the pack if there are multiple offers on your dream property.

Because you got pre-approved, you have already accomplished step one in the offer process—providing a letter from your lender telling the sellers that you can afford the home. But there's more to an offer than just money. There are other factors that a seller will consider as they decide which offer to select.

Here are factors we will discuss when considering making an offer.

- Days on market
- Price
- Past offers
- Closing dates
- Terms
- Whether they are currently negotiating or considering offers
- What the seller will not consider
- Whether there have been previous canceled purchase agreements
- What updates have been made
- Why the sellers are moving (they are not obligated to answer this question)

EARNEST MONEY

As a part of your offer, you will submit an earnest money deposit. This deposit is generally put into the trust account of the seller's broker, where it is held until closing. The deposit is then applied to the sale. Earnest money is an indication to the seller that you are committed to buying their home and a more significant deposit can indicate a higher level of commitment to the home. A typical earnest money deposit is roughly 1% of your purchase price.

Your purchase agreement may include contingency clauses, and if the deal falls through due to a failed contingency, you'll often have the right to get your deposit back. We'll work together to create a purchase agreement (including contingencies, if desired) that represents your best interests and also shows you are a serious buyer.

CLOSING DATE

You may have more flexible timelines than other buyers you are competing against. Take advantage of this by offering a closing date that matches the sellers' best interests. It may be tempting to offer the fastest closing date possible, but some sellers—like those moving cross-country or those waiting on their new construction home to be finished—may have a longer timeline in mind. I can help you match the timing that's most beneficial to the home seller, which is a great negotiation strategy. As the buyer, you are typically responsible for selecting your title company. Don't worry, there's more on why you need a title company—and what to expect—in the coming pages.

FINAL OFFER QUICK TIPS

- We will need to be accessible to the seller's agent and seller (although not directly) during the entire process, as things can move very quickly.
- Try to meet the needs of the seller. Are they looking for a quicker closing date or a longer timeframe?
- In a sellers' market, avoid making a complicated offer that is full of contingencies and specific requests. When sellers have the advantage of multiple offers to choose from, they are unlikely to look at offers that are burdened by high demands.
- Remember that the highest offers aren't always the best offers. I can help you identify other negotiation tactics.

WHAT IF YOUR FIRST (OR 2ND OR 3RD) OFFER ISN'T ACCEPTED?

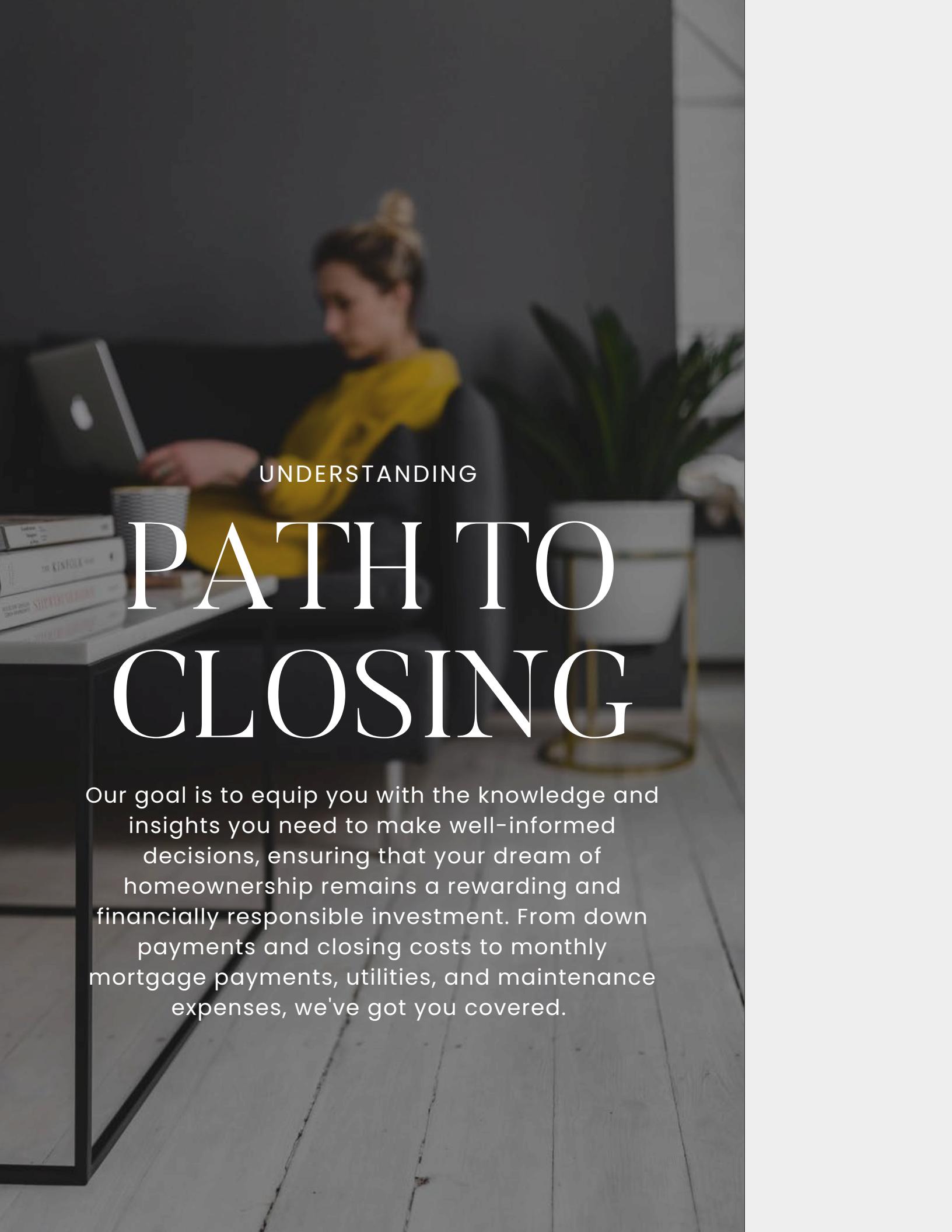
When you have your heart set on a home and have already mentally moved in, it can be emotionally draining to make an offer only to have it be rejected. We may be able to negotiate new terms, but when multiple offers are present, we may not get the opportunity. In a low-inventory sellers' market, it's not uncommon for would-be buyers to make offers on several properties before one is accepted. Should you find yourself in this position, there are things we can do to make sure you're not repeatedly losing out to other buyers:

- Consider expanding your search to include a nearby area
- Reframe your priorities so that you can be crystal clear on the must-haves versus the nice-to-haves
- Work with me to determine an area's "sweet spot" price before placing your bid
- Consider a fixer-upper and whether a renovation loan may be an option

KNOWING THE INS AND OUTS OF CONTINGENCIES

When you're searching for homes, you may find yourself falling for properties labeled "active contingent" – but what does contingent mean? A contingent property is still available for showings, but it's under contract with another buyer. Here are some common contingencies:

- **Contingent, subject to inspection:** The buyer and seller have signed a purchase agreement, but the buyer is allowed to cancel if the buyer does not like the results of the home inspection.
- **Contingent, sale of another property:** The buyer and seller have signed a purchase agreement, but the buyer is allowed to cancel if the buyer's own home does not sell.
- **Contingent, subject to third party approval:** The seller's lender must approve the sale if the sale proceeds will not be sufficient to pay off the seller's mortgage loan. This is sometimes called a short sale.
- **Contingent, subject to statutory rescission:** For most condos and townhomes, the buyer has a right to cancel the purchase agreement after reviewing documents related to the condo or townhome association.

A woman in a yellow shirt is working on a laptop at a desk. Behind her are several books and a potted plant. The background is slightly blurred.

UNDERSTANDING PATH TO CLOSING

Our goal is to equip you with the knowledge and insights you need to make well-informed decisions, ensuring that your dream of homeownership remains a rewarding and financially responsible investment. From down payments and closing costs to monthly mortgage payments, utilities, and maintenance expenses, we've got you covered.

AFTER YOUR OFFER IS ACCEPTED!

INSPECTIONS: AN IMPORTANT 'INSURANCE' POLICY

When buying a property, the home inspection is a crucial part of the transaction. While you may be sold on the new countertops and carpeting, the foundation and less-visible parts could be in disrepair. Follow these five tips through the home inspection process.

1. EVERY HOME CAN BENEFIT FROM AN INSPECTION

There's no such thing as a home "too new" for an inspection. Defects and damage can occur during the homebuilding process just as they can over decades of wear and tear.

2. HIRE A PROFESSIONAL

We have a list of professional inspectors that can be provided to evaluate the home. Hiring a reputable inspector is critical, even if the cost of service is a bit higher.

3. PAY ATTENTION TO THE QUIRKS

Homebuyers should make every effort to attend the inspection so they can ask questions and see how the home looks up close during this deep-dive of the property. Bring a notebook with so you can take notes during the inspection, as it's a great time to learn about how the house operates. The inspector can explain everything from a tankless water heater to a home's built-in vacuum system, so it's a great time to take in all that knowledge from a professional.

4. REVIEW THE INSPECTION REPORT

Once the inspection is complete, review the report in full with your inspector. Ask the inspector to quantify any damage or defects so you can determine easy repairs, expensive repairs and any issues that should have you rethinking the home purchase.

5. NEGOTIATE WITH THE SELLER

Depending on what is identified in the inspection report, you now have an opportunity to request repairs or other concessions from the seller in order for the home purchase to proceed. We will provide guidance throughout this process.

UPFRONT COSTS

MOVING COSTS – Moving supplies, renting a truck, and booking movers. (\$550 and \$2,000)

CLOSING COSTS – Usually between 2% to 5% of the purchase price.

DOWN PAYMENT – Varies but Conventional ones require 3% at minimum.

FEES, INSURANCE AND TAXES – These include real estate taxes and fees charged by the city, county, state, or federal government & insurance to cover your new home.

ONGOING COSTS

LANDSCAPING + YARD WORK

WATERING THE LAWN

MAINTAINING THE HVAC SYSTEM REPLACING AIR FILTERS

PEST TREATMENTS AND PREVENTION

REPLACING BATTERIES IN SMOKE AND CARBON MONOXIDE DETECTORS

ROOF, WINDOWS, WATER HEATER (ITEMS NEARING THE END OF LIFE)

TAXES AND INSURANCE



THE CLOSING PROCESS IN A NUTSHELL

- Purchase agreement is signed by all parties
- Buyer meets with mortgage consultant to complete the mortgage approval process
- Closing date and time are scheduled
- Buyers submit the personal information that is needed to close
- Title company prepares closing documents and submits to lender for approval of the final settlement statement; once approved, buyer receives final costs of purchase. Payment is made (a cashier's check)
- Deed is submitted by title company to the county for recording and homeowner's title insurance policy is issued, if applicable. A copy of the deed, after it is recorded with the county, is sent to the buyer

WHAT DO I NEED AT THE CLOSING TABLE?

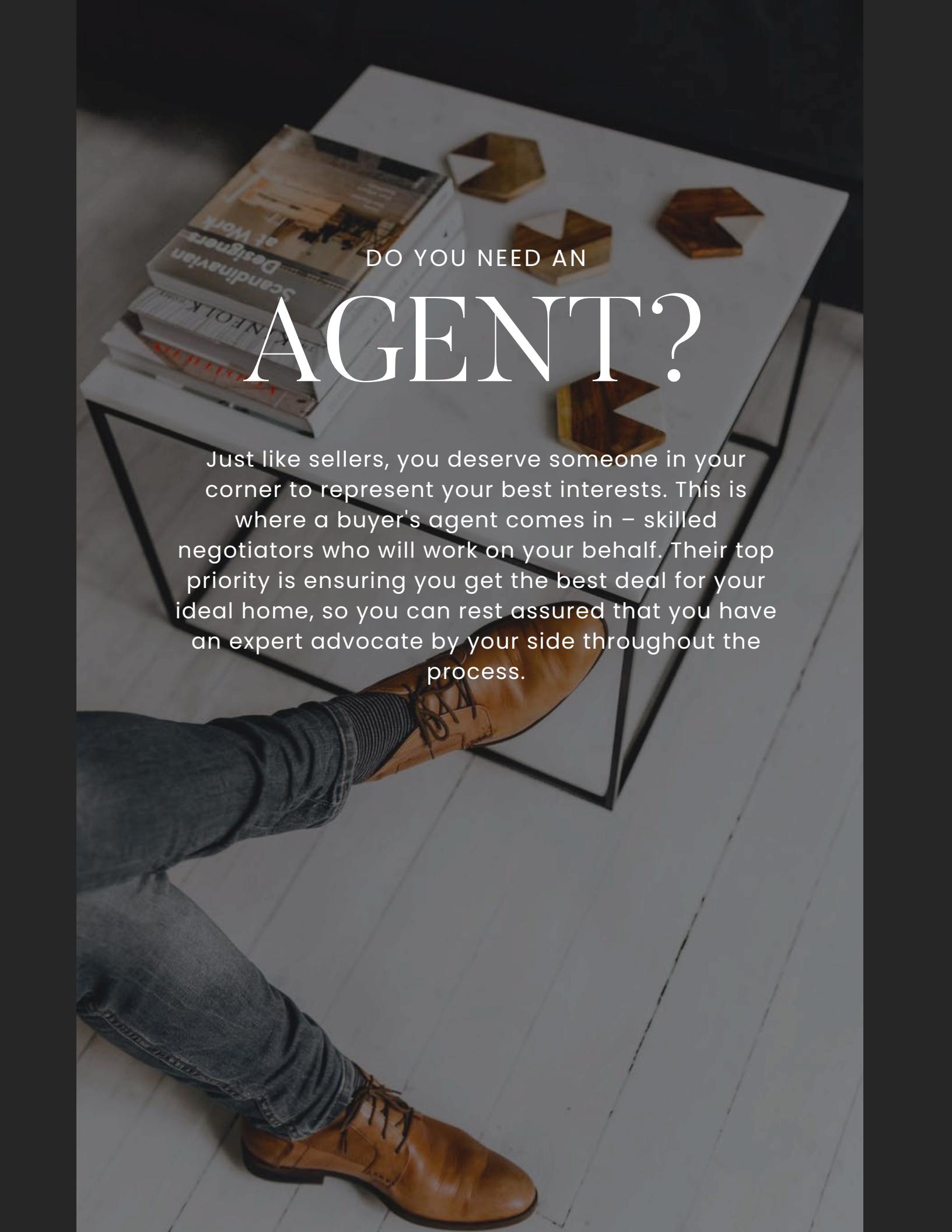
Valid photo ID / Social security number
Checkbook (in case of other charges)

Homeowner's insurance information
Cashier's check or pre-sent wire for
down payment & closing costs



Rami was SUPERB. She worked with my husband and I over the course of a year to find the perfect house for us. She listened to what we wanted, set up showings for houses that had what we were looking for and helped us find our forever home. She was very flexible and made this experience

- GRETA + MICHAEL, HOME BUYERS



DO YOU NEED AN AGENT?

Just like sellers, you deserve someone in your corner to represent your best interests. This is where a buyer's agent comes in – skilled negotiators who will work on your behalf. Their top priority is ensuring you get the best deal for your ideal home, so you can rest assured that you have an expert advocate by your side throughout the process.

ARE WE THE RIGHT FIT?

EXPERIENCE & EXPERTISE



With extensive real estate experience, we bring valuable knowledge and expertise, successfully assisting numerous clients in finding their dream homes.

LOCAL MARKET KNOWLEDGE



We have a deep understanding of the local real estate market, including neighborhood trends, property values, and off-market opportunities.

CLIENT CENTERED APPROACH



Our commitment to client-first service ensures prioritizing your needs and preferences in the homebuying process.

STRONG NEGOTIATION SKILLS



Strong bargaining skills will secure the best deal, protecting your interests.



COORDINATING WITH PROFESSIONALS



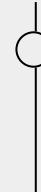
We specialize in collaborating with professionals like inspectors, appraisers, and mortgage brokers for a smooth closing process.

FACILITATING COMMUNICATION



Ensure transparent communication among all parties involved, keeping you informed about the transaction's progress.

PROTECTING YOUR INTERESTS



We'll always act in your best interests, disclose any conflicts, explain your rights and obligations, and prioritize your goals.

— BREAKING DOWN —

AGENCY Relationships



TYPES OF REPRESENTATION

Seller's/Landlord's Broker

Buyer's/Tenant's Broker

Dual Agency

Facilitator

MY FIDUCIARY DUTIES TO CLIENTS

1

LOYALTY



I will act only in client(s)' best interest.

I will carry out all client(s)' lawful instructions.

2

OBEDIENCE



3

DISCLOSURE



I will disclose to client(s) all material facts of which broker/salesperson has knowledge.

I will keep client(s)' confidences unless required by law to disclose specific information.

CONFIDENTIALITY



4

5

REASONABLE CARE



I will use reasonable care in performing duties as an agent.

I will account to client(s) for all client(s)' money and property received as agent.



ACCOUNTING

6

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Historically, the home seller pays the real estate commission as part of the closing process, the amount owed to real estate agents and brokers is subtracted from the final sales price of the home sale.

Sellers wrap the cost of the commission into their list price. In other words, the *homebuyer will contribute* to the commission that's eventually paid because the purchase price is higher to account for the commission.

How Do Real Estate Commissions Work?

After the home sale has closed, the seller's Broker/Realtor and the buyer's Broker/Realtor are paid their respective commissions. The commission payments go to the real estate brokerages, and then a pre-determined percentage is passed on to the agents who closed the home purchase.

How does my awesome Realtor get paid?

Talk of the Town

Buyer agents commissions generally range from 2.7% to 3% of the final sales price. However, this percentage is negotiable and is typically requested to be paid by the seller on behalf of the buyer during the purchase agreement negotiations process. Example: Below starting on line 405 of the state standard purchase agreement.

How Much Is Real Estate Commission?

As a Buyer, do I pay for this out of my pocket for Representation?

There may be times the seller will not agree to pay a buyers agents commission or, the full amount being requested. We as your representing REALTOR will do everything possible to negotiate our commission to be paid by the seller at closing. If not possible, we will discuss what that looks like in terms of agent compensation.

- 405. **SELLER'S CONTRIBUTION TO BUYER'S BROKER'S COMPENSATION:** Seller agrees to pay buyer's broker's compensation at closing 3 percent (%) of the selling price or \$ - , which is in addition to any Seller's contribution to Buyer's closing costs paid at closing. This amount is in addition to the listing broker's offer of cooperating compensation, if any.

WHAT BUYERS WANT

EDINA REALTY.

WHAT BUYERS WANT FROM THEIR AGENT

1. FINDING THE RIGHT HOME: 53% OF BUYERS LOOK TO AN AGENT TO HELP THEM FIND THE RIGHT HOME TO PURCHASE.
2. NEGOTIATIONS: 23% OF BUYERS DEPEND ON THEIR AGENT TO NEGOTIATE THE PRICE AND THE TERMS OF THE SALE.
3. PAPERWORK: 8% OF BUYERS NEED THEIR AGENT'S HELP WITH PAPERWORK.
4. FINANCING: 7% OF BUYERS RELY ON THEIR AGENT TO DETERMINE HOW MUCH HOUSE THEY CAN AFFORD AND TO HELP THEM FIND AND ARRANGE FINANCING.
5. COMPARATIVE MARKET ANALYSIS: 6% OF BUYERS WANT TO KNOW THE WORTH OF NEARBY HOMES TO GAIN BETTER INSIGHT INTO HOW MUCH THEY SHOULD SPEND IN A SPECIFIC AREA.



BEFORE I WAS A REALTOR...I WAS IN YOUR SHOES TO!
- RAMI



I've walked the path you're on, searching for the perfect realtor, and I vividly recall the inexperience and uncertainty that can accompany such a significant choice. I know the frustration, the anxiety, and the weight of making crucial decisions in the world of real estate. Rest assured, I've been there, and that personal experience fuels my dedication to guide you through this process with expertise, empathy, and a profound understanding of the very challenges you're facing. Together, we'll transform these challenges into opportunities, ensuring your real estate dreams become a vibrant reality.



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