



**kw** BAY AREA  
ESTATES  
KELLERWILLIAMS

**SHAPIRO**  
GROUP  
A REAL ESTATE SALES TEAM

**A Home Buyer's Guide to the Bay Area**





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# The Shapiro Group

## Meet the team

The Shapiro Group began back in 1983. We have been representing buyers and sellers full time since then, having now successfully closed over 1600 transactions. This experience places us in the top 1% of the real estate industry. We are industry leaders; KPIX Channel 5 News interviews us as residential experts in South Bay real estate, and we have qualified to testify on real estate matters in the Superior Court of California as well. But, we are even more proud of the five-star ratings given to us by our customers. Over the years, we have developed processes and systems to enable us to fulfill our goal of providing first class service to our clients.

### Team Philosophy

The home-buying process can be complex and stressful if not managed properly. While each transaction is different, every buyer wants the same thing - the best possible price with the least amount of hassle. As our client, you will receive a team dedicated to delivering impeccable, first-class service with professionalism and personal attention to help you accomplish your real estate goals. We are thrilled that you are considering us as your choice to help you buy what may be your biggest, and most important asset; your new home.

# SHAPIRO

## GROUP

### REAL ESTATE SALES TEAM



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# Should You Buy?

## Things to consider

### The Benefits of Ownership

- Historically, home-ownership has proven to be an excellent investment.
- Your monthly payments can be fixed, so you will not be subject to rent increases.
- You can't be asked to move at an inconvenient time (along with the added expense).
- Improvements you make will add to the value of YOUR home, not your landlord's home.
- Potential tax benefits for paying mortgage interest and property taxes.
- Making consistent loan payments increases your credit score.
- The pride of owning your piece of the American dream.

### The Benefits of Renting

- You can give 30 day's notice and be gone (more flexibility).
- Possibly lower monthly cost; if the cost is lower, perhaps you can live in a bigger home, a better neighborhood, or be near better schools.
- Less cash is required, usually first and last month's rent plus a security deposit.

### Questions to Ask Yourself

- How long do I plan to live/own here? Since the cost to buy and sell is significant, you should plan to stay for a while to make your investment lower risk.
- Do I qualify for a mortgage? The bank will look at your income/debts, job stability, credit history, and source of down payment funds.

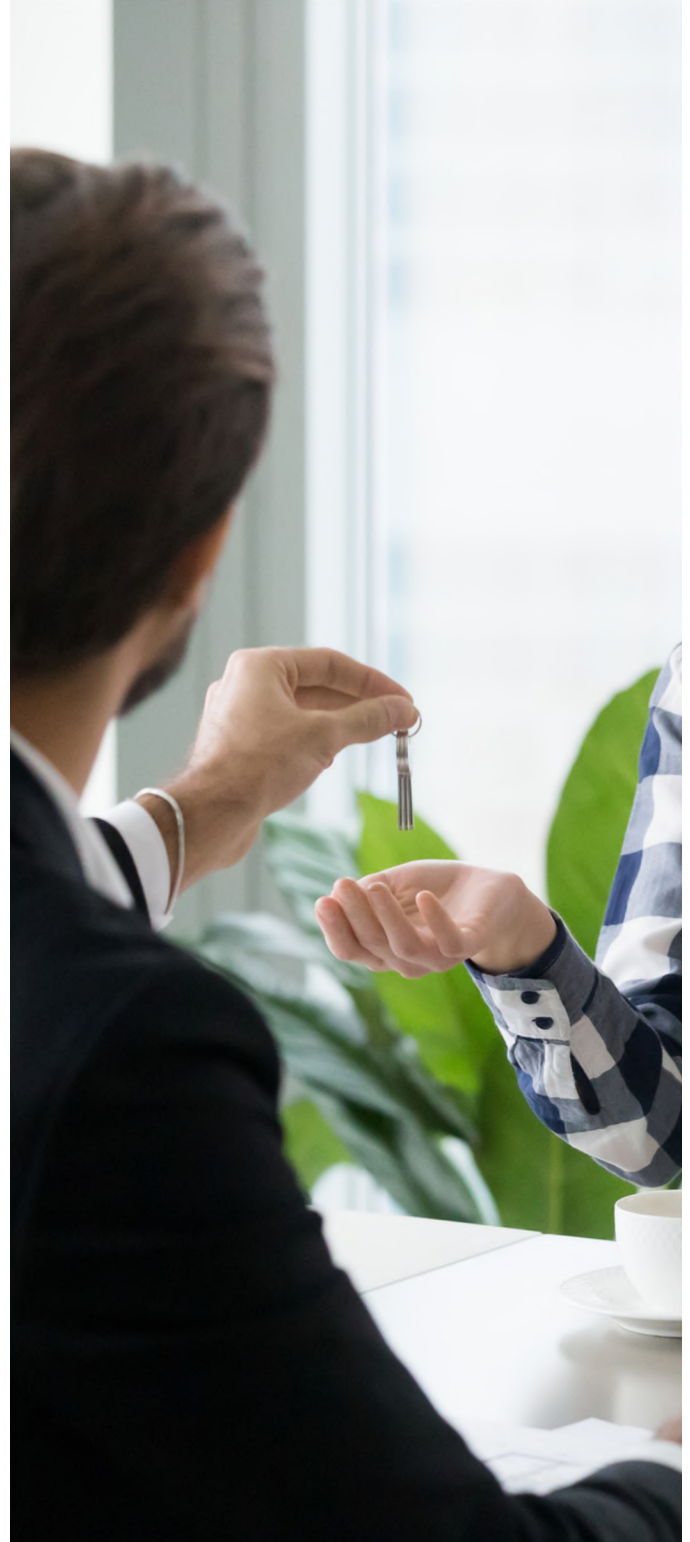


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# The Advantage of Hiring Us

## Our Edge

- Combined experience of over 40 years selling real estate locally. There is no substitute for experience.
- Over 1600 successful transactions (as of 1/1/2019); this places us in the top 1% of all agents.
- Full-time Realtors to help you find the “perfect” home and buy it at the best possible price.
- Detailed pricing analysis to ensure you do not overpay.
- Skilled, experienced negotiation on your behalf.
- Written estimate of all costs involved in your purchase.
- Our reputation for professionalism and integrity will help get your offer accepted, as our fellow Realtors love to work with us.
- Explanation of all facets of your purchase, including price and costs, home valuation, financing options, personal property, inspections and disclosures, offer negotiation, home warranties, possession, and rent-backs.
- Access to information about “off-market” possibilities.



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# Buyer Partnership Agreement

The Shapiro Group agrees to provide the following services

- Meet with you to discuss how we work and the benefits of having The Shapiro Group help you with your purchase.
- Help you obtain a written, pre-approval letter from a reputable lender.
- Provide access to our “off-market” opportunities and access to our Home Finder program.
- A system which will email you regular updates of homes that match your search criteria.
- Arrange a private showing of any homes you'd like to see, including new construction, for-sale-by-owner, and “off market” properties.
- Discuss strategy with you regarding inspections, contingency dates, offer price and terms, and closing and possession dates.
- Recommend expert services for you; inspectors, appraisal, home warranty, title insurance, property insurance, and legal expertise if needed.

**In return for the above commitment, you agree to:**

- Obtain a written pre-approval prior to viewing properties with us.
- Notify us of any major changes in your financial status or motivation to buy.
- Advise other agents, builders, and for-sale-by-owners that we are representing you. If you decide to make an offer, you will retain us as your agent to negotiate on your behalf.
- Allow us to show you any properties that interest you (rather than bother the listing agent). When you do buy a home, our commission will be paid by the Listing Brokerage.



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# Buying in the Bay Area

## Our winning strategy

### Lifestyle Analysis

Finding your ideal home is a process of matching your lifestyle and financial objectives with the right neighborhood. As a Realtor® with vast experience selling in this market, we have the expertise to match you with the home that fits your lifestyle. Whether you want a piece of the city or a quiet neighborhood with the best schools for your children, we have the area insight and knowledge you need to help you find a home that is the perfect “fit” for you.

### Search Analysis

Beyond the MLS and previewing homes online, finding your ideal home is also about leveraging relationships. As your Realtor®, we utilize our extensive network and access to off-MLS (pocket) listings on your behalf. To streamline the process, we also preview homes on your behalf, in addition to touring homes and neighborhoods with you. We will always keep you well informed of new listings that come on the market.

### Make a Winning Offer

The Bay Area housing market is ultra-competitive which is why you need a seasoned professional to give you a competitive advantage and help you to win the bid on your ideal home. We will carefully consider if the home is accurately priced for the size, location, and neighborhood comparative sales. As your consultant, we will advise you on how to best position your offer for quick acceptance, the amount of your down payment, and whether you need to be fully pre-approved prior to bidding.

### Negotiate

Negotiating terms for the purchase of what may be your largest personal asset requires a professional who has your best interests in mind. After listening to your needs, we will vigorously negotiate the price, contingencies such as inspections, appraisals and financing, as well as the best time to close escrow.

### Coordinate

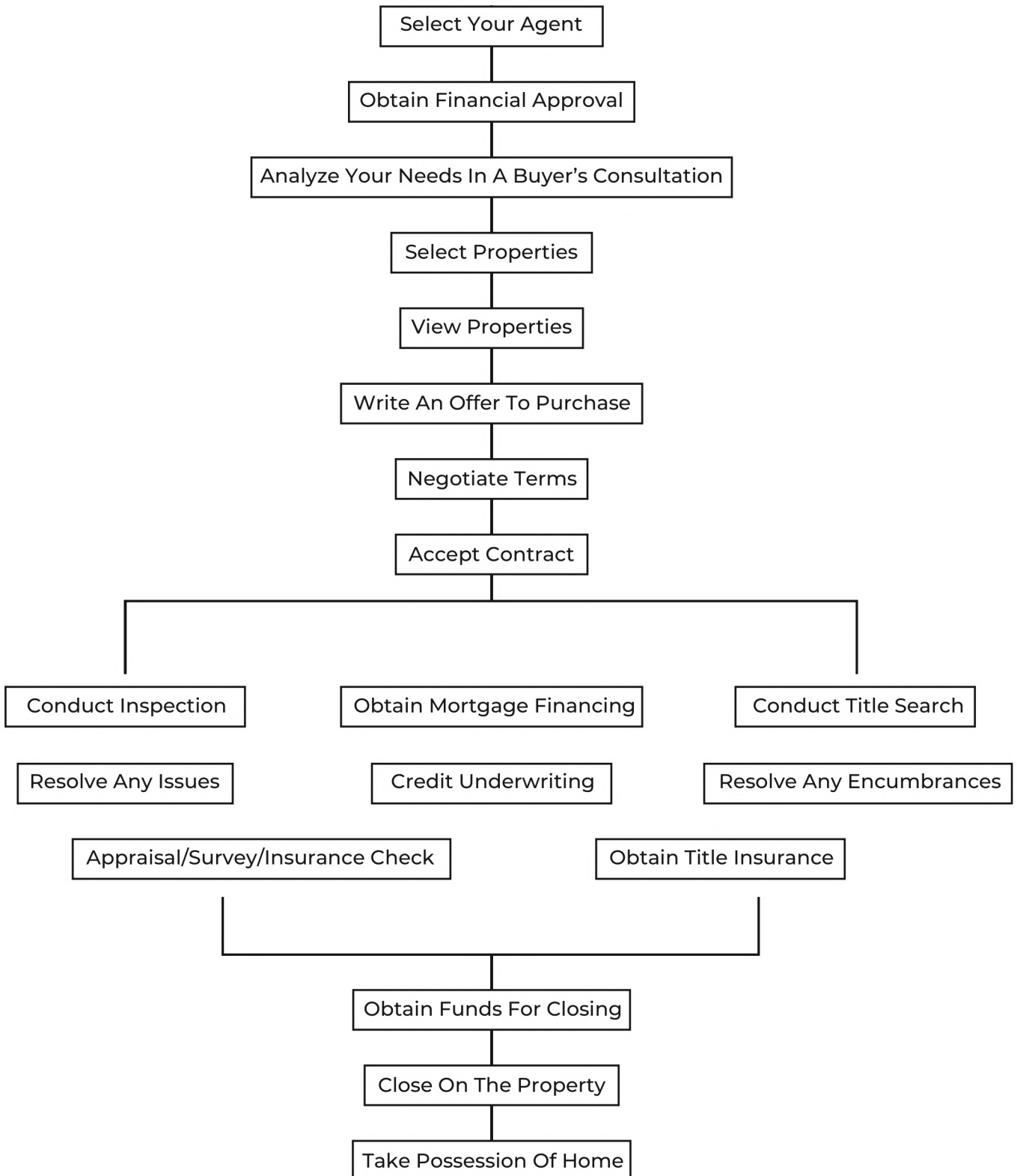
Congratulations! Your offer was accepted and now the race begins. The closing of your home is urgent and time sensitive with many steps to completion. As your agent and project manager, my team and I will be there with you through the end of the closing process. We will coordinate any needed inspections, escrow, guide you through the escrow process, and help you prepare for the closing of your new home.

### Improve

Once you've closed escrow, you'll have access to our extensive list of handymen, contractors, plumbers, electricians, landscapers, etc to help you personalize your purchase and help make it “home.”



# The Home Buying Process



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# The Home Search

## Finding the one

After obtaining a written pre-approval letter to zero in on your price parameters, we'll enter your home and location requirements into our Home Finder System and begin looking at relevant homes. We feel it is important that you visit open houses in the locations you like, because the more homes you see, the more comfortable you'll be when the right home comes along. You'll quickly learn "the market", and zero in on your likes and dislikes.

The average buyer today sees 8-12 homes before selecting one to buy.

When you find a home you like, we'll provide you all the research necessary to make an informed decision about the home; school scores, crime statistics, nearby sales statistics, etc.



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# Pre-Qualification vs. Pre-Approval

There is a difference

Pre-Qualification or Pre-Approval: Knowing how much you qualify for is an important first step before starting your home search. Understanding the price range we should focus on, your down payment options, as well as monthly mortgage payment options ahead of time, will help you to find and close on your ideal home quickly.

## Pre-Qualification

Pre-qualification provides you with a general estimate of how much the bank will allow you to borrow. It's easy and can be done over the phone or online. You provide the mortgage company or bank with information such as your income, debt, and employment information. In return, you will be given a loan estimate.

## Pre-Approval

Pre-approval will give you the exact amount you qualify for and provides other advantages for making offers in a competitive market like the Bay Area.

With a pre-approval, the lender takes an extensive look at your financial picture, including two years of your W-2s or 1099s and tax returns, a credit check, your debt/income ratio and how much you have for a down payment.

Being a pre-approved buyer lets the seller know that you are in a position to buy now, which can give you a distinct advantage when there are multiple offers on a home.

Not all loan packages are the same. Going through the pre-approval process is a win-win situation that helps your mortgage broker create a loan package that fits your needs.



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# The Loan Process

A series of steps to reach the finish line

## 1. Pre-Approval

You will be asked to provide personal information such as your social security number, income, assets, debts, credit information and the specifics on the type of property you wish to purchase.

## 2. Full Application

During the application process, the lender will update the information and documentation that has already been submitted.

## 3. Processing

Your mortgage package will be reviewed and completed by the processor.

## 4. Loan Submission

Once the processor has completed the loan package, it is submitted to the underwriter for approval.

## 5. Loan Approval

All parties are notified of the approval and loan documents are completed and sent to both the title and escrow companies.

## 6. Title

The title company ensures that the property title is clear and legitimate. Once this process is complete, title insurance is issued for the property.

## 7. Funding

Once you have signed the loan documentation, your lender reviews the loan package, and upon approval, funds are wire-transferred to the title company.

## 8. Recordation

When the title company has all the funds needed, they will record the transfer of title and you'll be recorded as the new owner of the home



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# Writing an Offer

## What it takes to win

Historically, the Bay Area is an aggressive and competitive market, requiring you to strategically position yourself in the mind of the seller as the obvious best choice. Here are some general guidelines for writing a strong offer:

1. Together, we'll review the relevant sales and market conditions prior to making an offer. Factors to consider include the condition of the home, length of time on the market, competition, and urgency of the seller.

2. Give yourself room to compete. Ideally, you will want to find homes that are below your maximum so you have room to negotiate on price, should the need arise.

3. While it is important to offer a price that is attractive to the seller, they will often consider other elements before acceptance. How much money you put down on the property, and any contingencies or financing terms are just a few factors that may make the difference.

4. After your offer has been written, we will present it to the seller's agent and negotiate on your behalf. The seller may accept, reject or counter the offer with changes.

5. You will normally be notified within 24 hours of the outcome. Should the seller counter, we will work with you to review each specific request and move the contract forward to closure.



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# Know What You Are Buying

Your opportunity to find out exactly what you're buying

Inspections are an important part of the buying process and allow you to fully understand any issues or challenges with the property before closing the transaction. If the seller has not provided inspections ahead of time, you may decide to write your offer with an inspection contingency. This is one of the more common contingencies that buyers use.

A contingency means that you will only go through with the purchase if certain conditions are met.

Home inspections should be only done by a certified home inspector. Often, a seller will have inspections completed prior to placing their home on the market to remove the "contingency" from the buyer's bid. Ultimately, it is the buyer's responsibility to assess the condition of the property.

## Pest Inspections

Pest inspections are done by a licensed inspector who will look for wood-destroying organisms, including termites and fungi ("dry rot"). Pest reports classify conditions as Section 1 or Section 2 items.

## Section 1

Conditions demonstrating active infections or conditions damaging the property. Active termites, beetles, or wood rot are examples of Section 1 items.

## Section 2

Conditions not currently causing damage but likely to, if left unattended. A typical Section 2 item is a plumbing leak where moisture has not yet caused fungus decay.

The inspector is responsible to deliver an unbiased report.

If damage is found in the property, such as a crack in the foundation or a roof that needs to be replaced, we can take these into account in our offer or we may be able to negotiate with the seller on remediation options.

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# Inspections

## Being thorough

It is important to go into a home purchase with your eyes wide open; for this reason, we always recommend having the home inspected.

Most sellers today will obtain proper inspections prior to putting their homes on the market, and they will provide those reports to us.

If the seller did NOT do inspections first, we highly recommend that we obtain them.

The most common inspections in this area are Pest Control, Roof, General Property, Masonry (if there's a brick chimney), and Swimming Pool equipment.

Other inspections that can be done include Radon Gas, Foundation/Drainage, Asbestos, and Lead Paint.



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# Disclosures

## Putting them into English

We'll walk you through the disclosures, bringing to your attention anything that might affect your desire to buy or how much you're willing to pay. The common disclosures include: Smoke detector, carbon monoxide detector, water heater strapping, Megan's Law (regarding registered sex offenders), Death on Property (within the last 36 months),

Upgrades and Repairs (permitted or not), Transfer Disclosure Statement, Market Conditions Advisory, Lead Paint, Seller's Property Questionnaire, Plumbing Conservation, Statewide Disclosure, Earthquake and Natural Hazards Advisory, Wire Fraud, Homeowner's Association docs, Fireplace, Foundation Bolting, and Multiple Buyer Representation.





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# The Escrow Process

## Prepare and present your property

In a real estate transaction, escrow is an independent third party. When opening escrow, the buyer and seller determine the terms and conditions for the transfer of ownership of the property via the purchase contract. Escrow ensures that all mutually agreed upon terms and conditions are met prior to the transfer of ownership and distribution of funds.

Escrow protects both you and the seller by managing the following tasks:

- Holding the buyer's good-faith deposit (typically 3% of the purchase price).
- Disclosing escrow and title fees to all parties.
- Calculating prorated taxes, loan interest, and HOA fees.
- Providing a title report and title insurance.
- Ensuring that state and local transaction laws and rules are followed.
- Obtaining all necessary and notarized signatures from all parties.
- Ensuring the paperwork is legal and binding.
- Recording the transfer documents and ensuring their accuracy.
- Receiving the down payment from the buyer.
- Receiving funds from the buyer's lender.
- Paying liens, any overdue tax, and HOA dues.
- Distributing proceeds to the seller.



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# Escrow FAQs

## Answered

### When do we need to open escrow?

The seller will commonly open an escrow when their home is put on the market. After your offer is accepted, you will need to wire your 3% deposit money into escrow.

### What does an escrow officer do?

Your escrow officer will oversee all aspects of your real estate transaction, such as signing paperwork, completing a title search, obtaining hazard and title insurance, and collecting and then distributing money.

### Why do properties fall out of escrow?

Sometimes, there is a problem with the loan where the appraisal comes back lower than the offer price, or a structural problem is discovered during an inspection.

### How long does escrow take?

The length of escrow is determined by the purchase agreement. Depending on the terms, it can last from a few days to up to 90 days. A typical escrow in the Bay Area is 21-30 days.



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## Closing Costs

### What you need to know

Closing costs are fees paid by the buyer and the seller during the course of the transaction. Early in the process, we will provide a good faith estimate which includes your closing costs and settlement charges. Typically, a buyer's closing costs are about 1% of the purchase price of your home. A few days prior to closing, your lender will give you a detailed breakdown in the Closing Disclosure Statement.

#### What's Included?

Closing costs include loan origination fees, discount points, appraisal fees, title searches, title insurance, surveys, taxes, deed-recording fees, initial deposit for your escrow account, homeowners insurance, and credit report charges.

In addition, there are non-recurring costs and prepaid costs. Non-recurring costs are one-time fees associated with buying a property or getting a loan. Prepaid costs are those that recur over time, such as property taxes and homeowner's insurance.

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## Who Pays What?

### Buyer and seller fees

Many fees are negotiable, however:

#### Buyer typically pays:

- Loan and appraisal fees required by your lender
- Title insurance premium for your lender
- Fire and hazard insurance premium
- Inspection fees if not provided by the seller
- One-half of city transfer tax, if applicable

#### Seller typically pays:

- Inspection fees
- Real Estate commissions
- Any judgments or liens
- Any unpaid homeowner's dues
- County transfer taxes
- One-half of city transfer taxes, if applicable
- Delinquent property taxes



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# Frequently Asked Questions

## Answered

### **How will you tell me about the newest listings available?**

The Multiple Listing Service Website provides up-to-date information for nearly every home on the market. We constantly check the New on Market list and will send you the latest listings via email at a frequency that's most helpful for you, daily or in real time.

### **Will you inform me of homes from all Bay Area real estate companies or only Keller Williams?**

We will keep you informed of all homes that come available, including off-market deals, to help you find your ideal home.

### **Can you help me find new construction homes?**

Yes, we have access to all the new construction opportunities in the city and can get you the information you need to make a decision. We will need to accompany you on your first visit with the builder. By using my services with a new construction home purchase, you will receive the services we offer, as well as those provided by the builder, at no additional cost.

### **How does For Sale By Owner (FSBO) work?**

Homeowners trying to sell their home without agent representation are usually doing so in the hopes of saving the commission. If you see a FSBO and want the advantages of my services, let us contact the owner for you and make an appointment. Often, the homeowner will work with an agent, even though their home is not listed since the agent is introducing a potential buyer to their property. While you may be successful buying directly from the seller, if they are not a licensed agent, it may be a challenging experience.

### **Can we go back through our property again once an offer is made but before possession?**

You should complete all of your inspections and walk-throughs before removing any contingencies. If you need to see the property again for any reason, we can make a special request to the seller for access. Just prior to closing, we will schedule a final walkthrough to verify the condition of your new home has been maintained.

### **What happens after close of escrow?**

You can celebrate and shift your focus to moving into your new home. You will want to schedule your move, pack items and notify businesses of your address change. We can provide you with a moving checklist to help you remember all the details.

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# Testimonials

See what others are saying

*"Gary helped me buy my first home and educated me in the process. I liked what he did enough to come back to him when I was ready to move up. He got multiple offers for my 1st home and negotiated the price of the new home down, so I got the best of both deals! He's great and explains everything very clearly."*



-Fred Y.

*When we decided an out-of-state move was the next step for us, we contacted Kristi Ballou. Her market knowledge and project management skills gave us confidence – and a quick sale. She has a talented team of experts engaged throughout the process from staging through closing. We wholeheartedly recommend Kristi for buying or selling in Los Gatos.*



-Teri T.

*We worked with Domenick and his partner Faith to buy our new home. They were both absolutely wonderful at explaining the process and helping us define what we wanted and could afford. We expected it to be a stressful time but they really did make it enjoyable and exciting. Couldn't recommend them highly enough.*



-Madelaine H.

*"We have known Gary for 25 plus years. Gary is very professional and his experience in Bay Area real estate is the best. We really liked working with Gary for his patience, knowledge of negotiations and helping us work through the real estate transaction process. We highly recommend him!"*



-Shawn S.

*Sophie did an outstanding job in helping us buy our first home in the Bay Area. She is very honest and hard working, and is very passionate about her work. We had a limited budget and she always respected it and never tried to make us push our budget. She also has a very knowledgeable team who helped us walk through the property inspection reports and inform us about any potential repairs and associated costs. The house we purchased had multiple offers but Sophie worked her magic and won us the house at a great price.*



-Abhay C.

*Krystal helped us to close a house in Gilroy which was out of the market. She was always prompt, polite and spoke with reason and logic - something we admired. She kept the PR alive through the years, so though we are not buying/selling right now but will consider her for future.*



-Buddhadeb B.

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# Thank You

Let's get started

Again, thank you for the opportunity to present our winning buying strategies to help you find and purchase your new home. At the Shapiro Group, we are excited and honored to be helping you on your journey to home ownership.





# SHAPIRO GROUP

REAL ESTATE SALES TEAM

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