

Al Farkas

Buyers Guide

Realtor

Platzke Real Estate Group
Coldwell Banker Realty



952-210-6040

al.farkas@cbrealty.com

www.AlFarkas.com

Getting Started

The home buying process has recently changed. As there are 4 different ways to look at a home

- Open House. In Minnesota, you do not need to sign anything to go to an Open House
- With a licensed Realtor with a signature on a TOURING AGREEMENT. That realtor doesn't represent you in any way. And is essentially just getting to know you.
- With a licensed Realtor with an Exclusive Buyer Agreement. Meaning that during the contract, if you buy a home, that buyers agent will represent you and get a commission based on the terms of the agreed upon contract. Again a signature is needed for this.
- With the listing agent. Again this must be stipulated that you won't be represented by the listing agent. And you still need a signature here to show that.

Introducing the new touring agreement

4. No Fee for the Touring Services.

- (a) Buyer shall not owe or pay Broker any fee for the Touring Services.
- (b) Broker shall not receive compensation for the Touring Services from any source that exceeds the amount or rate agreed to in the agreement with Buyer. For clarity, this shall not be construed to mean the parties can't enter into a subsequent agreement for compensation for additional services as set forth in 4(c) of this agreement.
- (c) If Broker is going to provide Buyer with brokerage services beyond the Touring Services, Buyer and Broker will enter into a separate agreement for such additional brokerage services. **The fee or commission the parties agree to for those services are not set by law, are fully negotiable, and shall be documented in that agreement.**

Why

Should you use me

The home buying process will be the most difficult decision you will ever make. I'm here to take all of that stress from you. Making sure you have all the right knowledge to be sure you've purchased the correct property for you and your family.

- I will provide trades and resources to help you find the right team, to help you find the right home
- I will help you find the right lender to get you pre-approved for a mortgage.
- I will update you on off market listings from both my team and broker
- I will provide you new listings
- I will teach you how to write successful offers that win!!
- I will guide you through the appraisal and inspection process
- We will complete the final walk through together.

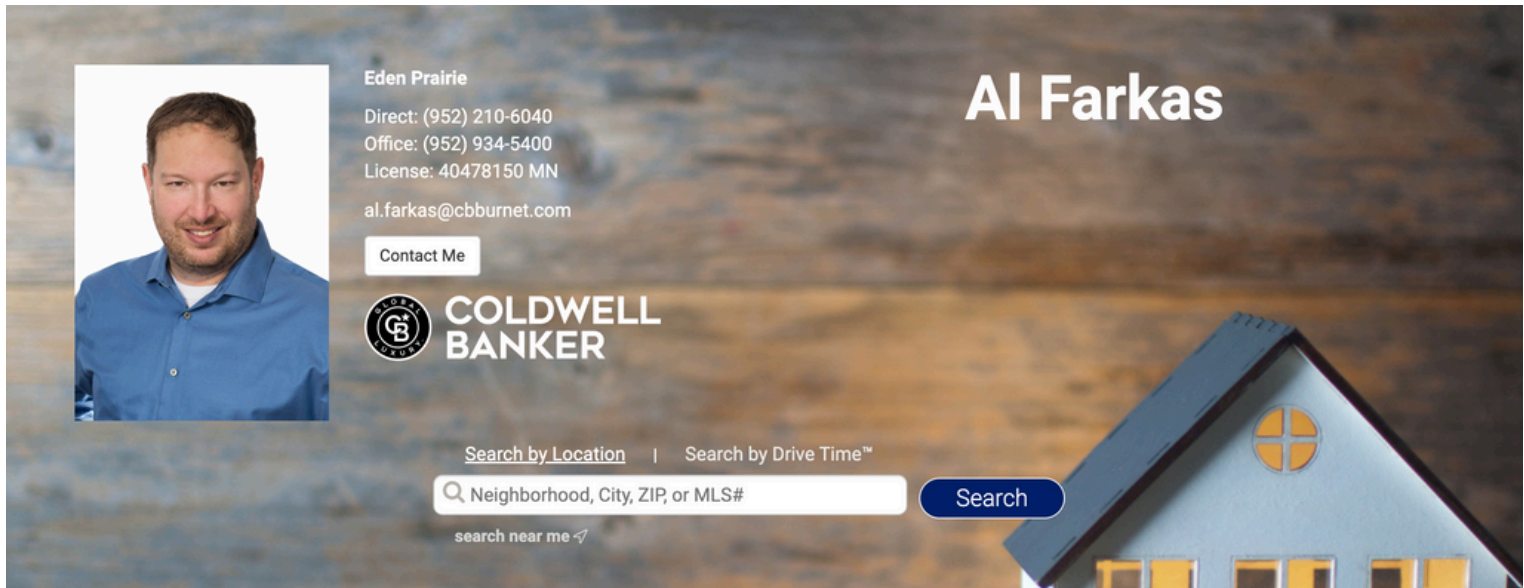
Let's Meet!

At the beginning of this process, I will meet you on a 30-minute zoom presentation discussing all aspects of your transactions.

- How does the buyer agent compensation work
- Your specific wants and need
- Show you stats of the market
- Market conditions (are homes selling over or under list price)




Professional Web Presence



Eden Prairie

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Contact Me

 **COLDWELL
BANKER**

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The Platzke Real Estate Group

The Platzke Real Estate Team has over 35 successful real estate agents there to handle your needs. With agents all over the Twin Cities, the chance is good that we might already have your perfect home already in our database. How these "secret" homes can benefit you, is you may be able to negotiate against the seller directly, instead of waiting for the home to go to market, and negotiate against every other agent in town. Possibly saving money, and our sellers time and effort.

About

Me and my team

Al Farkas - Realtor

- 9 plus years in real estate
- Over 190 plus lifetime transactions
- Over 65 Million dollars in Real Estate
- Zillow Premier Agent
- 57 Reviews on Zillow with a 5 star rating



Platzke Real Estate Group

- 2+ Billion - in Total Sales
- 30k Total Email Subscribers
- \$290 Million - total Sales in 2024
- 474 - Transactions in 2024
- Minnesota's #1 Home Selling Team For Coldwell Banker since 2015
- 40 licensed agents on the team



Paying FOR YOUR HOME

The first step in any home search is finding out exactly how much home you can afford and securing the financing to make the purchase. While you can get a rough estimate on the internet, taking the extra step to obtain pre-approval will give you some added advantages.

Pre-approval helps you:

- Understand your financial condition know exactly how much home you can afford before you begin your home search
- Strengthen your purchasing power when making an offer

When you find a home you love and are ready to make an offer, your mortgage pre-approval lets the seller know that you're serious and fully prepared to buy their home, putting you in a stronger position to achieve success.

HOW MUCH CAN YOU AFFORD? KEY FACTORS TO CONSIDER

- What will be your down payment.
- The interest rate
- Cash to close
- Your debt-to-income ratio
- The closing costs
- Credit score

DOWN PAYMENT OPTIONS

LOAN TYPE	DOWN PAYMENT	DETAILS
Conventional	3% +	If you qualify, you may be able to put as little as 3% down to pay for your new home. Otherwise the minimum is 5%. It's worth noting that if you do put less than 20% down, you will have to pay mortgage insurance. But that drops off after an appraisal once you reach the 20% threshold.
F.H.A	3.5%	The riskiest loan of the bunch. The value of this is it allows you to buy the home. But it's also looked at as more risky as it's highly attractive to clients with lower credit scores. Also mortgage insurance drops off later than conventional loans.
V.A.	0%	A program for military buyers. It's attraction is it potentially allows them to put next to nothing down toward the purchase.
Down Payment Assistance*	Up to \$18,000	If you qualify, this money can help pay for your new home. But nothing is for free in this country. Sometimes there are ramifications like slightly higher rates to pay for such loans.

*There are many different First time home buyer or down payment assistance programs available. consult our premier lenders for more information

Paying

FOR YOUR NEW HOME

Go local with your lender

If you can't march into his office, it's not the right fit. It's so important to be able to communicate with your lender. And if you can't reach them, then it's not worth your time.

Price is important. But not as much as trust!

If two lenders are within \$100.00 of each other, and one I've worked with and the other I haven't, this is going to be a no-brainer. Use the lender you trust. The stakes are way too HIGH! Way too many gimmicks out there!

Don't fall into the trap

"But they have the best rates?". That's not the point. It's isn't about the best price or best rate. I can get you a 1% interest rate today if you pay for it. It's about comparing Rate vs Rate, and Cost to Close vs Cost to Close! Don't fall for the bait and switch by them making you pay 1.5% in points.

Our Lenders

Upstream Mortgage



Ryan Yardley
612.850.7500
Ryan@upstreammortgage.com

Cross Country Mortgage



Kelly Molitor
952.237.0066
Kelly.Molitor@ccm.com

North Port Funding



Jason Mikunda
763.443.0660
Jason@northportfunding.com



Ben Levesque

NMLS 2278423, License Number: 2278423

763 516 7720

ben.levesque@northportfunding.com

INITIAL FEES WORKSHEET

Al Farkas

Your actual rate, payment and costs could be higher. Get an official Loan Estimate before choosing a loan.

Quote Number: 12862356

Preparation Date: 02/05/2025 3 23 PM CST

Loan Purpose:	Purchase	Purchase Price:	\$400,000.00	Loan Amount:	\$360,000.00
Property Type:	Single Family 1 4 Units)	Occupancy:	Primary Residence	No. of Units:	1
Credit Score:	Estimated	ZIP / State:	55343 / Minnesota	Escrow:	None Waived
Product:	30 Year CONVENTIONAL Fixed	Rate / APR	6.625% / 6.819%	Lock Period:	30 Days

Lender Fees	\$1,395.00
0.000% of Loan Amount (Points)	\$0.00
Originator Compensation	\$0.00
Underwriting Fee	\$1,395.00

Taxes and Other Government Fees	\$966.00
Transfer Taxes	\$869.00
County Tax Stamp - Mortgage	\$5.00
Recording Fees	\$92.00

Third Party Fees	\$3,819.95
Services You Cannot Shop For	
Appraisal Fee	\$660.00
Credit Report Fee	\$85.00
Flood Certificate Fee	\$15.00
MERS Registration Fee	\$24.95
Tax Service Fee	\$85.00
Services You Can Shop For	
Title - Abstract or Title Search	\$575.00
Title Insurance	\$1,325.00
Settlement Services	\$1,050.00

Prepays and Initial Escrow Payment at Closing	\$4,638.67
Prepays	
Hazard Insurance Premium 12 Months @ \$200.00	\$2,400.00
Mortgage Insurance Premium 0 Months @ \$63.00	\$0.00
Prepaid Interest 1 Days @ \$65.342	\$65.34
Property Taxes 0 Months @ \$393.33	\$0.00
Supp Property Insurance Premium 0 Months @ \$0.00	\$0.00
Initial Escrow Payment at Closing	
Hazard Insurance Reserve 3 Months @ \$200.00	\$600.00
Mortgage Insurance Reserve 0 Months @ \$63.00	\$0.00
Property Taxes 4 Months @ \$393.33	\$1,573.33
Supp Property Insurance Reserve 0 Months @ \$0.00	\$0.00
Aggregate Adjustment	\$0.00

Estimated Proposed Monthly Housing Expense	
First Mortgage P&I	\$2,305.12
Other Financing P&I	\$0.00
Homeowner's Insurance	\$200.00
Property Taxes	\$393.33
Mortgage Insurance	\$63.00

Estimated Funds to Close:	
Downpayment/Funds from Borrower	\$40,000.00
Lender Fees	\$1,395.00
Third Party Fees	\$3,819.95
Taxes and Other Government Fees	\$966.00
Prepays and Initial Escrow	\$4,638.67
Estimated Total Payoffs	\$0.00
Funds Due from Borrower A	\$50,819.62
Lender Credits	
Lender Credits	\$0.00
Seller Credits	\$0.00
Total Credits Applied B	\$0.00

This estimate is provided for illustrative and informational purposes only based on the initial basic loan scenario provided. This is not a loan approval or commitment to lend. Rates effective as of 02/05/2025 and are subject to change. Annual Percentage Rate (APR) is an estimate based on criteria provided. Until you lock your rate, APR and terms are subject to change or may not be available at commitment or closing.



NorthPort Funding
Company NMLS 1868733
<https://www.northportfunding.com/>

Apply Now



Inspections

To make sure you're making a wise purchase



Now that you have selected your home, it's important to make sure there isn't anything drastically wrong with it. The inspection isn't there to guarantee the perfect home. No home is and will ever be. The inspection is there to tell a story. A past, present, future view of any issues that have gone with the home. And while there is a chance to potentially get a few more dollars off of the price of the home. The reason this step exists is just to make sure that you're fully aware of what you are buying.

A Negotiation at this stage of the game is like saying "I will not buy this home unless". Because you have a valid agreed upon 2 way contract currently to purchase the home. If you try to change that here, the terms must be agreed upon by both parties. Or the deal is dead. Please do your research on trustworthy companies to use, and I will give a couple of recommendations on the back page

Waiving Inspection

This is a very difficult market to overcome. To compete, many buyers are waiving home inspections in hopes that their offer will be more attractive to the sellers. This is not a practice that I can't 100% endorse. While in a townhome, the risk is less, but in a single-family home there are so many more things that can happen. Make sure you really understand what exactly you are giving up by waiving this.

However, their analytics cannot take every factor into consideration when pricing a property or in the market to buy a new home. They can't adjust for noisy, or messy neighbors, or the care/upkeep of the home. Remember when you paid \$25,000 to replace your kitchen or \$10,000 on the new roof, your first call wasn't to Zillow so they could update their valuation on your home.

Single Family (TH) Side by Side

List Price: **~~\$250,000~~**
Orig List Pr: \$250,000

Zillow doesn't label these contingencies on their page. It just shows these as active and available

55436 Edina
55379 Shakopee
55378 Savage
55386 Victoria
55446 Plymouth

Writing Offers In a Crazy Market

What price are you offering? ***Make the seller say WOW!***
Asking for closing costs back? ***It's better to say NONE!***
Are you contingent on home selling? ***In this market, NO!***
How much cash can you put down? ***As much as possible!***
When do you want to close? ***Ask for their preference!***

How much is your earnest money? ***Enough to make a statement***
What if it doesn't appraise? ***Arguably the most important topic.***
Who is your lender? ***Trusted and Local!***
What financing are you using? ***Cash is king. Then Conventional.***

Costs of buying a home



1. **Working with me will cost 2.75%.** (This may be something we can get the seller to pay for!)
2. Most brokerages will charge an admin fee of \$550 - \$799 *
3. Inspection from \$450-\$1000* (depends on inspections added)
4. Appraisal \$500 - \$750* (varies by lender)
5. Earnest Money 1% - 5%*
6. Down payment 3% - 100%*
7. Closing Cost 1% to 5% of Sales Price*

**These prices will vary per home and strength of offer.*



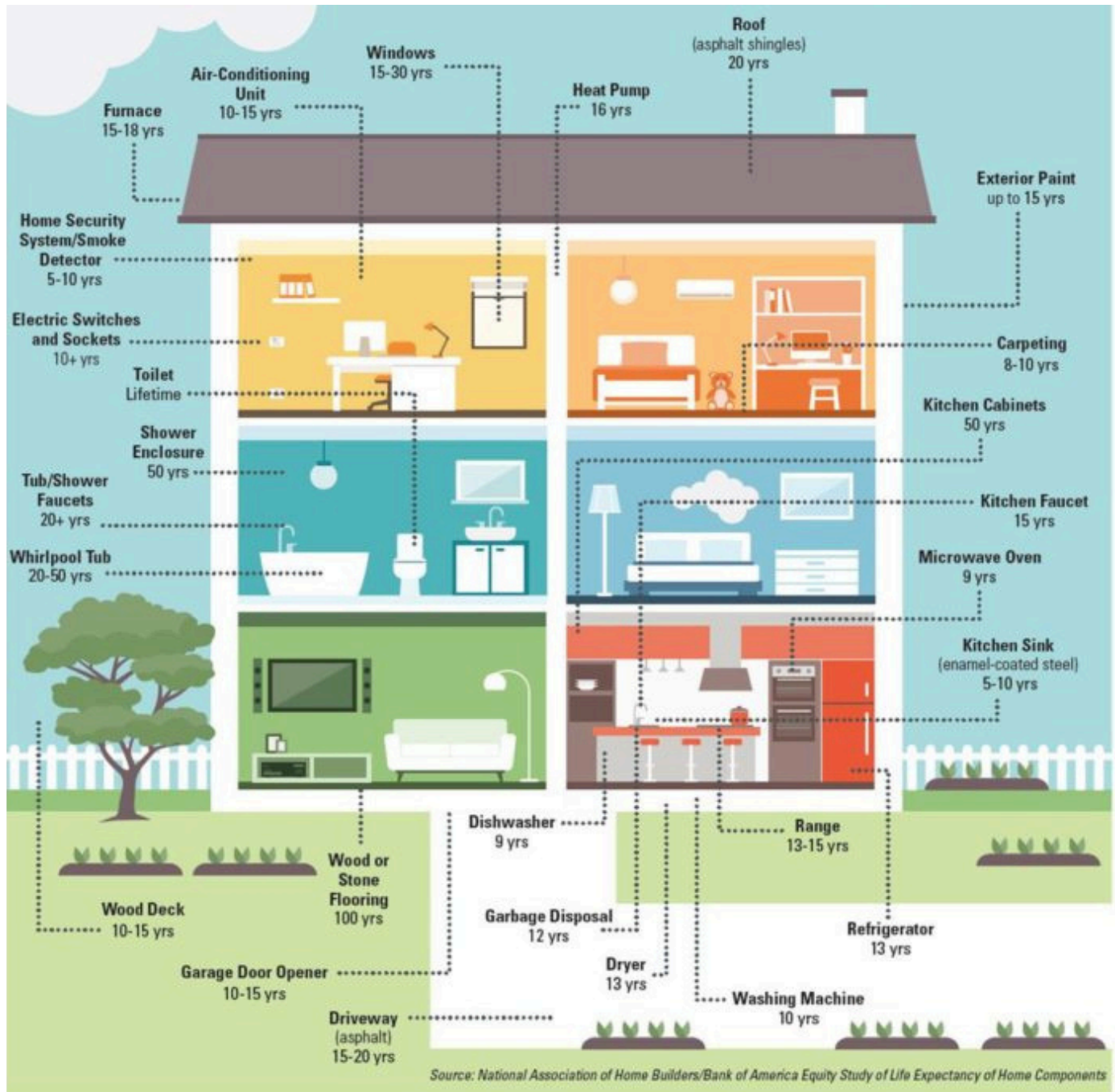
Appraisals What to know

Appraisals are arguably the most important part of this process. Especially in a market such as we have now. When sellers are getting 5 or 10 or 20 offers at a time, their mission is to achieve the highest and best guaranteed net offer, for the least amount of risk. Again the appraisal is there for the protection of the bank or lender. And if an appraisal number isn't met, technically it could mean that the deal is dead. And if you're in multiple offers with 10-15 other offers, you can be assured that the agent on the other side isn't going to take an offer that could end up dead 3 weeks before closing.

Not only is that important, but it's also imperative to know what your seller is netting. If you're offering \$300,000 and asking for \$10,000 in closing costs, that offer will only be for \$290,000 going to the seller. Everybody pays closing costs. Even the seller

Secondly, especially if you're offering over list, know that this is all about risk avoidance. Meaning someone who has 20% down will look to be a more stable offer than 3% down. And if you offer over list, and only have enough to just to cover a list offer, then we may be in trouble if the home doesn't appraise. As the home will have to go back on the market, and you the buyer, will need to find another place to buy if the seller doesn't help you out by dropping the price.

How Long Will your home last



Past, Present and Future?

Year	Nominal
1942	3%
1943	11%
1944	17%
1945	12%
1946	24%
1947	21%
1948	2%
1949	0%
1950	4%
1951	6%
1952	4%
1953	12%
1954	1%
1955	0%
1956	1%
1957	3%
1958	1%
1959	0%
1960	1%
1961	1%
1962	0%
1963	2%
1964	1%
1965	2%
1966	1%
1967	2%
1968	4%
1969	7%
1970	8%
1971	4%

Year	Nominal
1972	3%
1973	3%
1974	10%
1975	7%
1976	8%
1977	15%
1978	16%
1979	14%
1980	7%
1981	5%
1982	1%
1983	5%
1984	5%
1985	7%
1986	10%
1987	8%
1988	7%
1989	4%
1990	-1%
1991	0%
1992	1%
1993	2%
1994	3%
1995	2%
1996	2%
1997	4%
1998	8%

Year	Nominal
1999	8%
2000	9%
2001	7%
2002	10%
2003	10%
2004	14%
2005	14%
2006	2%
2007	-5%
2008	-12%
2009	-4%
2010	-4%
2011	-4%
2012	6%
2013	11%
2014	5%
2015	5%
2016	5%
2017	6%
2018	5%
2019	4%
2020	10%
2021	19%
2022	6%

Since 1942, the market has:

- 70 times the market went up
- 6 times the market went down
- 5 times stayed neutral

Expectations

Be Preapproved!

Be Honest!

Be on time for showings!

My Team/Trades

Burnet Title - Sandy Glieden/Eric Bensen
eric.bensen@burnetttitle.com 952-974-3462

American Home Shield - Home Warranties
www.ahs.com

Inspections - Heartland Home
www.heartlandinspections.com

Handyman - Jamie Good
jamie@thandyman.com 612-234-5837

Stucco Inspection - CMT
certifiedmoisturetesting.com 651-272-5552

Light Staging/and home Styling - ReFresh. Stacy Thielen
refreshstylingstaging@gmail.com 612-205-1428

I've got a list of preferred contractors for almost everything you need. Let me know what you're looking for. It's very important to do your own research in all aspects of the transaction!!!