

Connecticut

Buyer's Guide

Brown Harris Stevens



Getting Started

While each buyer has a unique time frame and path to finding a home, there are steps everyone should consider at the beginning of their search.

Perhaps the most important step before setting off on your home search is to clearly define what you are looking for in a home. This will help focus your search and maximize your chance of finding the home that best fits your needs.

Home Wish List:

To assist us in finding a home that meets your needs, we encourage you to consider the questions below.

- Price Range
- Town, City or Area
- Home Style/Styles
- Lot Size
- Square Footage
- Number of Bedrooms
- Number of Bathrooms
- Desired Amenities (i.e., a pool)
- Additional Important Preferences (i.e., waterfront, views, street type, open floor plan, cul-de-sac, proximity to town)



Working With Your Brown Harris Stevens Agent

Your Brown Harris Stevens Agent is an invaluable resource in your home search. Our agents' professional experience gives them a vast and nuanced understanding of not just the inventory, but of neighborhoods, towns, area amenities, values and market trends. They will start out by listening and learning about your goals. Then, through their local expertise and knowledge of the market, and their access to the multiple listing services, they will identify properties that fit your criteria and arrange showings to view the properties with you. They will also provide their expert guidance through the numerous steps in the home buying process, from negotiations all the way through to your closing day and beyond.



Getting The Most Out Of Your Home Previews

While many buyers start their home search online, there is no substitute for visiting a home in person. Here are a few tips to keep in mind during your tour of homes:

- When you see a property you like online, let your agent know immediately so they can provide you with the full details of the property and offer additional insight.
- Keep a written record of the properties you visit and what you have liked and disliked about them. This is particularly important when seeing multiple houses in a single day.
- Share feedback with your agent about each property you visit. This will help them continue to custom tailor the homes they arrange for you to see.
- Location usually has the greatest impact on a home's value so when visiting, make sure to evaluate the neighborhood as well as the house itself.
- Try to ignore a home's current decor. You need to see past furniture, wallpaper, wall color, and carpets, which can be easily changed if you were to move in.
- You may want to consider visiting the property at different times of day to consider things such as natural light and noise levels.
- If you fall in love with a property, make sure to schedule the second showing soon after the first. If you wait too long to see the property again, it is possible another interested party will have made an offer.



Getting Pre-Approved For A Loan

Before starting your home search, it is a good idea to speak with a Mortgage Lender and obtain a written pre-approval letter for a loan. Getting pre-approved is helpful for a number of reasons:

- It gives you a more concrete idea of how much you can afford to pay and helps you better define your search criteria.
- It helps to determine your purchasing power so you can act quickly and with confidence when you identify the property you would like to purchase.
- It gives you an advantage in negotiating on a home because it assures the seller that you are qualified to purchase. This is especially helpful when you have competition from other interested parties.
- It expedites the buying process after your offer is accepted.

It is helpful to understand the difference between a pre-approval and pre-qualification.

- **Pre-qualification**: A quick procedure to estimate a loan amount for which you might expect to be approved. It uses only information you provide to the lender and it does not involve a credit report or an in-depth look at your finances. For this reason, it does not carry as much weight as a pre-approval letter.
- **Pre-approval**: For a pre-approval, you will complete a mortgage application and the lender will require information and documentation to determine exactly how much they would be willing to lend you. The information the lender will request for a pre-approval includes:

- Recent pay stubs
- Last 2 years' W-2s
- Last 2 Federal Tax Returns
- Two months' worth of bank statements for all types of accounts
- Most recent quarterly retirement statement
- Your credit report



Disclosures

It is important to understand the three types of Agency relationships when buying a home.

Buyer's Agent: A Buyer's Agent acts only on behalf of the buyer. A Buyer's Agent's fiduciary duties are to the buyer, which include loyalty, accountability, confidentiality, full disclosure, reasonable care and obedience to lawful instruction.

Seller's Agent: A Seller's Agent on listings acts only on behalf of the seller and has fiduciary duties to the seller, including loyalty, accountability, confidentiality, reasonable care, full disclosure and obedience to lawful instruction. A Seller's Agent is required by law to disclose all information on property defects material to any transaction, which are known by the Seller's Agent.

Dual Agency: Dual Agency occurs when a real estate company representing a buyer shows the buyer any properties that the company has listed and is acting as the Seller's Agent.

The real estate company may act as the agent of both the buyer and seller in a single transaction with the full knowledge and written consent of both buyer and seller. All fiduciary duties are the same, with the exception of disclosing confidential information to either the Buyer or Seller when representing both sides.

Signing a Buyer-Broker Agreement: When you sign a buyer-broker agreement, you have established a formal agency relationship with your agent. This contract insures that your agent has a fiduciary responsibility to you and will represent your best interests—not the sellers—in any real estate transaction. Without a buyer-broker agreement, an agent often is obligated to maintain loyalty to the seller's needs.



Property Disclosures

One of the main purposes of a property disclosure statement is that it allows the buyer to learn as much as they can about the property and the seller's experience in it. Among the information in a disclosure is:

- Information on updates and/or renovations done by the sellers.
- The disclosure of any hazards and any defects or malfunctions with major systems or appliances.
- The disclosure of any material facts.

Note: Disclosures by no means take the place of a house inspection. A professional inspection may reveal defects the seller is not aware of in the home. A potential buyer should always do a full property inspection before moving forward with a purchase.

Types of Property Disclosure:

- **Property Condition Disclosure**: The Uniform Property Condition Disclosure Act (Connecticut General Statutes Section 20-327b) requires the seller of residential property to provide this disclosure to the prospective purchaser prior to the prospective purchaser's execution of any binder, contract to purchase, option or lease containing a purchase option. These provisions apply to the transfer of residential real property of four dwelling units or less made with or without the assistance of a licensed broker or salesperson. The seller will be required to credit the purchaser with the sum of $500 or the amount set forth in section 20- 327c of the Connecticut General Statutes if said section prescribes a different amount, at closing if the seller fails to furnish this report as required by said act.
- **Lead Disclosur**e: The seller of any residential property built prior to 1978 is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards.

Contract of Sale

Once an accepted offer is reached between the buyer and seller, a memorandum of terms is updated and sent to all parties, including the attorneys representing the buyer and seller.

The memorandum of terms includes the following information:

- The name and contact information of all parties, including the seller and buyer; the seller's and buyer's attorney; and the seller's and buyer's real estate agents.
- The address of the property being purchased.
- Agreed upon sale price.
- Down Payment to be made. Generally 10% of the asking price is delivered upon the signing of the contract.
- The closing date agreed upon by buyer and seller.
- Contingencies. The most common contingencies are with regard to mortgage and the house inspection.
- List of items on the property that are to be included/excluded from the sale.

Using this memorandum as a guideline, the seller's attorney will create a contract and send to your attorney. You will then review with your attorney and request any modifications needed.

After modifications to the contract are made and both parties are in agreement regarding the terms, the buyer will send a deposit check to the seller's attorney. Both the buyer and seller will then sign the contract. Even after signing, the contingencies of the contract must be met for the transaction to go forward to closing.



Steps In The Buying Process

- **The Offer:** Any offers you make will be conveyed to the listing agent by your BHS agent. Oftentimes, an offer will lead to some negotiation between the buyer and seller. Your BHS agent will guide you through this process and spearhead the negotiation.

- **The Purchase Agreement**: Once the buyer and seller agree upon a price, a purchase agreement will be drawn up and sent to the lawyers of both parties. The purchase agreement outlines the transactions terms and conditions.

- **Connect with a CT Licensed Real Estate Attorney**: By the time you have an accepted offer on a property, you should hire an attorney who will conduct due diligence on the property and handle the closing.

- **Earnest Money**: Along with the purchase agreement, a buyer may put down earnest money, customarily in the amount of 1% of the sale price. However, this practice may vary depending on the area you are in so consult your agent or attorney for guidance. This check is sent to the seller's attorney. If there is a mortgage contingency, you will need to apply for financing immediately.

- **Contract of Sale**: Signed by both parties, and typically 10 percent of the purchase price is put down by the buyer and held in escrow by the seller's or buyer's attorney.

- **Home Inspection**: After a selling price is agreed upon, the buyer will order a home inspection as soon as possible, usually within seven days. Among the items the inspector will assess are the roof, structure of the home, and the heating, air-conditioning, electrical and plumbing systems. After the inspection is complete, buyers have the chance to negotiate with the seller over who will pay for any necessary repairs. Depending on the outcome of the inspection, they may also ask for a concession on the selling price.

- **Written Mortgage Commitment**: As the buyer, you will often have a mortgage contingency to ensure that financing is approved for the home. A mortgage contingency usually takes approximately 30 days to be resolved.

- **The Bank Appraisal**: The bank will send an appraiser to verify the value of the house.

- **The Closing Date**: Early on in the negotiations, a closing date will be agreed upon by the buyers and sellers. While the closing date can vary, it often takes place between 45 and 60 days after an accepted offer.

- **The Walk Through**: On the day of the closing, the buyers will walk through the house with their agent to make sure there have been no previously unforeseeable changes since the inspection and bank appraisal. A house is expected to be "broom clean" at closing time.

- **Closing**: The closing takes place and title is transferred from seller to buyer. At the closing you must have verification of insurance on the property for at least the mortgage amount and payment for the balance due on the sales price. This figure is subject to adjustments for taxes, fuel oil, etc. Your attorney will give you the correct amount prior to closing. Bring your checkbook in case minor adjustments are necessary.

Buyer's Moving Checklist

This checklist is a general reference and based on a closing that takes 60 days from accepted offer to closing. This time frame is arbitrary and varies considerably depending on each transaction.

First Week After Signed Contract

- o Deposit earnest money check and make loan application.
- o Arrange for property inspection.
- o Have a licensed inspector conduct property inspections.
- o Make repair requests to seller.
- o Make sure all information requested by mortgage company has been submitted.
- o Contact and select a moving company (determine town parking/unloading regulations).

Second Week

- o Finalize signed contracts.
- o Re-inspect to assure that repairs have been completed.
- o Contact your insurance company to ensure that your belongings are covered during your move.
- o Obtain or transfer insurance to the new property.
- o Request that school transcripts be forwarded (if applicable).

Fourth Week

- o Send change of address information to the post office.
- o Call gas, electric, water, oil, cable TV, telephone, newspaper, and trash collection companies for service disconnect/connect at your old and new addresses. Also ask for final readings.
- o Register children in school (if applicable).

Sixth Week

- o Open accounts at a new bank (if applicable).

Seventh Week

- o Finish packing (leave out only necessities for moving day).
- o Prepare specific directions for movers; include a labeled sketch of the floor plan for your new home to ensure that your possessions are delivered to the appropriate room.
- o Arrange for cashier's check for closing.

Moving Day

- o Conduct pre-closing inspection.
- o Make sure to call attorney for list of certified checks.
- o Bring checkbook or wire funds to closing.

Closing Costs *in Fairfield County*

Buyers and Sellers are each responsible for certain closing costs in the transfer of property.

Buyer's Responsibility

- Legal fees: $750–$2000 depending on cost of home and town.
- If a title search warrants a survey the cost can be $1000+.
- Title Insurance: Cost $2.85 /per $1000 borrowed. It protects a lender's financial interests in real property against loss due to title defects, liens, or other matters, and is required nationwide.
- Appraisal Fees: $425–$1000 depending on size and location.
- RE Property Escrows due at closing: 8–9 month's tax and insurance escrows are typically required by the lender depending upon several variables. These 3–6 month of tax funds are held with the lender who will pay your tax bill on your behalf.
- Homeowner Insurance: The lender will require the first year's insurance premium paid in full prior to closing.
- Lender Fees: ~$1650.
- Deed Recording Fees: $400.
- Building inspections $475–$2000 depending on size and location of the home, plus well, septic, termite, radon, asbestos, swimming pool inspections as needed.

Seller's Responsibility

- Legal Fees: $750–$2000 depending on cost of home and town.
- Real Estate Conveyance Taxes:
  - Local Conveyance: $2.50/$1000–$5.00/$1000–depending on the municipality.
  - State Conveyance: .75% of the first $800,000; 1.25% of any portion of the sales price that exceeds $800,000; then 2.25% on the portion of the sales price that exceeds $2.5Million.
- Real Estate Brokerage Commission.
- Liens against the Property.
- Repairs agreed upon as a result of the inspection process.

Above pricing is estimated only—actual cost can vary due to area and service provided.

Final Walk-Through Checklist

The final walk-through gives homebuyers an opportunity to inspect a property before closing on the sale of a property. Here is a checklist to help you during the process:

Ensure That Requested Repairs Have Been Made

- o Have all the repairs you requested in your sales agreement been made? Do you have all warranties and/or bills for repairs made?
- o Is the property in the same condition, and has not deteriorated, since last seen?
- o Notes: _____

Items You Purchased With The House

- o Including drapes, appliances, lighting, furnishings, remote control devices for ceiling fans, alarms, garage doors, owner's manuals for appliances and home systems.
- o Notes: _____

Window and Doors

- o Do the doors and windows open and close properly? Are any windows missing screens?
- o Notes: _____

Appliances and Systems

- o Among the appliances you should check are the dishwasher, washer and dryer, air conditioner, heating system, water faucets and garage doors.
- o Notes: _____

Interior Floors, Walls, and Ceilings

- o Are there water stains on the ceiling (especially below bathrooms) or have any walls been damaged by movers?
- o Notes: _____

Leaks and Plumbing Problems

- o Flush all toilets and check all faucets.

Electric

- o Turn on all lights to make sure they work properly.
- o Notes: _____

Exterior

- o Is the landscape as you expected it? If there are sprinklers, are they working properly?
- o Notes: _____



In-House Global Services/Relocation

Our reach extends far beyond the tristate area as a preferred partner for corporations and relocation management companies. In fact, BHS Global Services is the destination of choice for clients relocating their executives to the Connecticut and New York Metro Area, making it a tremendously high-volume source for qualified buyers.

Need assistance in finding a qualified agent where you are moving? Just ask. Through our network of global partners, including Leading Real Estate Companies of the World, Luxury Portfolio International, and Mayfair International Realty, we are linked to more than 4,600 offices and 135,000 sales associates in over 70 countries. No matter where you are going, we can make sure you work with that area's top agents.

Glossary Of Terms

This is a reference guide to important legal and environmental issues and real estate terms most pertinent to sellers, as per the National Association of Realtors and the U.S. Department of Housing and Urban Development.

24-hour notice: Allowed by law, tenants must be informed of showing 24 hours before you arrive.

Addendum: An addition to a document or contract.

Adjustable rate mortgage (ARM): The total costs (interest rate, closing costs, fees, and so on) that are part of a borrower's loan, expressed as a percentage rate of interest. The total costs are amortized over the term of the loan.

Application fees: Fees that mortgage companies charge buyers at the time of written application for a loan; for example, fees for running credit reports of borrowers, property appraisal fees, and lender-specific fees.

Appraisal: A document of opinion of property value at a specific point in time by a licensed real estate appraiser.

"As-is": A contract or offer clause stating that the seller will not repair or correct any problems with the property. Also used in listings and marketing materials.

Back-up offer: When an offer is accepted contingent on the fall through or voiding of an accepted first offer on a property.

Buyer agency: A real estate broker retained by the buyer who has a fiduciary duty to the buyer.

Comparative market analysis (CMA): A study done by real estate sales agents and brokers using active, pending and sold comparable properties to estimate a value for a property.

Contingency: A provision in a contract requiring certain acts to be completed before the contract is binding.

Continue to show: When a property is under contract with contingencies, but the seller requests that the property continue to be shown to prospective buyers until contingencies are released.

Cooperating commission: A commission that is shared with the buyer's agent brokerage for bringing a buyer to the selling brokerage's listing.

Counteroffer: The response to an offer or a bid by the seller or buyer after the original offer or bid.

Credit report: Includes all of the history for a borrower's credit accounts, outstanding debts, and payment timelines on past or current debts.

Disclosures: Federal, state, county and local requirements of disclosure that the seller provides and the buyer acknowledges.

DOM: Days on market.

Dual agent: When one brokerage represents the seller and the buyer in a single transaction with full disclosure to all parties.

Earnest money deposit: The money given to the seller along with the purchase agreement as a sign of the buyer's good faith.

Exclusions: Fixtures or personal property that are excluded from the contract or offer to purchase.

Fair Housing Act: Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability. The Connecticut Fair Housing Act includes some additional provisions that prohibit discrimination based on lawful source of income and status as a verteran.

FEMA Flood Zones: Please consult with your bank and with the municipality to determine whether your property is on a flood plain. If so, it must be disclosed to prospective buyers.

Fixture: Personal property that has become part of the property through permanent attachment.

HUD/RESPA (Housing and Urban Development/Real Estate Settlement Procedures Act): A document and statement that details all of the monies paid out and received at a real estate property closing.

IDX (Internet Data Exchange): Allows real estate brokers to advertise each other's listings posted to listing databases such as the multiple listing service.

Inclusions: Fixtures or personal property that are included in a contract or offer to purchase.

Listing agreement: A document that establishes the real estate agent's agreement with the sellers to represent their property in the market.

Loan application: A document that buyers who are requesting a loan fill out and submit to their lender.

Loan closing costs: The costs a lender charges to close a borrower's loan. These costs vary from lender to lender and from market to market.

Loan commitment: A written document telling the borrowers that the mortgage company has agreed to lend them a specific amount of money at a specific interest rate for a specific period of time. The loan commitment may also contain conditions upon which the loan commitment is based.

Multiple listing service (MLS): A service that compiles available properties for sale by member brokers.

Offer to purchase: When a buyer proposes certain terms and presents these terms to the seller.

Principal: The amount of money a buyer borrows.

Supra®: An electronic lockbox (ELB) that holds keys to a property. The user must have a Supra keypad to use the lockbox.

Temporarily off market (TOM): A listed property that is taken off the market due to illness, travel, repairs, and so on.

Showing: When a listing is shown to prospective buyers or the buyer's agent (preview).

Smoke and carbon monoxide detectors: By law, all persons wishing to transfer ownership of a one- or two-family residence are required to sign an affidavit that the property has operable smoke alarm and carbon monoxide detectors.

Under contract: A property that has an accepted real estate contract between seller and buyer.

Walk-through: A showing before closing or escrow that permits the buyers one final tour of the property they are purchasing.

Water and well testing: A laboratory analysis will test the quality of the water and, if you have well water, the well's capacity.

Office Locations

Connecticut

GREENWICH
125 Mason Street
Greenwich, CT 06830
Phone: 203-869-8100

DARIEN
671 Boston Post Road
Darien, CT 06820
Phone: 203-655-1418

NEW CANAAN
183 Elm Street
New Canaan, CT 06840
Phone: 203-966-7800

STAMFORD
1099 High Ridge Road
Stamford, CT 06905
Phone: 203-329-8801

ROWAYTON
140 Rowayton Avenue
Rowayton, CT 06853
Phone: 203-853-1419

WESTPORT
56 Post Road East
Westport, CT 06880
Phone: 203-221-0666

Manhattan

EAST SIDE
445 Park Avenue
New York, NY 10022
Phone: 212-906-9200

WEST SIDE
1926 Broadway
New York, NY 10023
Phone: 212-588-5600

WEST SIDE / COLUMBUS
408 Columbus Avenue
New York, NY 10024
Phone: 212-769-3000

DOWNTOWN
130 Fifth Avenue
New York, NY 10011
Phone: 212-906-0500

VILLAGE
831 Broadway
New York, NY 10003
Phone: 212-381-6500

SOHO
451 West Broadway
New York, NY 10012
Phone: 212-381-4200

TRIBECA
43 North Moore Street
New York, NY 10013
Phone: 212-452-4500

HARLEM
2169 Frederick Douglass Boulevard
New York, NY 10026
Phone: 212-381-2570

DEVELOPMENT MARKETING
451 West Broadway
New York, NY 10012
Phone: 212-521-5757

MIDTOWN
770 Lexington Avenue, 10th Floor
New York, NY 10065
Phone: 212-508-7200

Brooklyn

BROOKLYN HEIGHTS
129 Montague Street
Brooklyn, NY 11201
Phone: 718-875-1289

PARK SLOPE
100 Seventh Avenue
Brooklyn, NY 11215
Phone: 718-230-5500

PARK SLOPE, 7TH AVE
160 Seventh Avenue
Brooklyn, NY 11215
Phone: 718-878-1960

BEDFORD STUYVESANT
1191 Bedford Avenue
Brooklyn, NY 11216
Phone: 718-878-1750

COBBLE HILL
166 Court Street
Brooklyn, NY 11201
Phone: 718-613-2020

SOUTH SLOPE
1214 8th Avenue
Brooklyn, NY 11215
Phone: 718-878-1888

BAY RIDGE
8324 4th Avenue
Brooklyn, NY 11209
Phone: 718-878-1880

Riverdale

RIVERDALE
3531 Johnson Avenue
Riverdale, NY 10463
Phone: 718-878-1700

Queens

LONG ISLAND CITY
47-12 Vernon Boulevard
Long Island City, NY 11101
Phone: 718-878-1800

FOREST HILLS
108-23 Ascan Avenue
Forest Hills, NY 11375
Phone: 718-520-0303

Office Locations

Hudson Valley

HUDSON
526 Warren Street
Hudson, NY 12534
Phone: 518-828-0181

Hamptons

EAST HAMPTON
27 Main Street
East Hampton, NY 11937
Phone: 631-324-6400

EAST HAMPTON / NEWTOWN LANE
2 Newtown Lane
East Hampton, NY 11937
Phone: 631-324-6100

BRIDGEHAMPTON
2408 Main Street
P.O.Box. 683
Bridgehampton, NY 11932
Phone: 631-537-2727

SAG HARBOR
96 Main Street
P.O. Box 1606
Sag Harbor, NY 11963
Phone: 631-725-2250

SOUTHAMPTON
31 Main Street
Southampton, NY 11968
Phone: 631-287-4900

WESTHAMPTON BEACH
70 Main Street
Westhampton Beach, NY 11978
Phone: 631-288-5500

NORTH FORK
13105 Main Road, P.O. Box 6
Mattituck, NY 11952
Phone: 631-477-0551

New Jersey

HOBOKEN
200 Washington Street
Hoboken, NJ 07030
Phone: 201-478-6700

MONTCLAIR
635 Valley Road
Montclair, NJ 07043
Phone: 973-744-6033

Florida

COCOANUT ROW
50 Cocoanut Row, Suite 104
Palm Beach, FL 33480
Phone: 561-659-6400

WORTH AVENUE
353 Worth Avenue
Palm Beach, FL 33480
Phone: 561-659-6400

SOUTH DIXIE HIGHWAY
1970 South Dixie Highway, Suite C1
West Palm Beach, FL 33401
Phone: 561-805-5050

CONTINUUM OFFICE
40 South Pointe Drive, Suite 110
Miami Beach, FL 33139
Phone: 305-695-1111

SUNSET HARBOUR OFFICE
1820 Bay Road
Miami Beach, FL 33139
Phone: 305-726-0100

COCONUT GROVE OFFICE
2665 South Bayshore Drive, Suite 100
Miami, FL 33133
Phone: 305-666-1800

SOUTH MIAMI OFFICE
7500 Red Road, Suite A
South Miami, FL 33143
Phone: 305-662-9975

Long Island / Commercial Services

GARDEN CITY
585 Stewart Avenue-Suite 790
Garden City, NY 11530
Phone: 516-203-8100

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Thank You