



HOW DO I buy a condo in today's market?

Condominiums have quickly become an attractive alternative to single-family homes. With so many new condominium projects to choose from, finding the right one can be daunting. Here are 10 steps to assist your next condo purchase:

Step 1: Condo purchase criteria. While condominiums offer a convenient lifestyle of low homeownership responsibilities, there are also unique rules and regulations that are not typically found in single-family homes. It's important you research all these considerations. Develop a set of specific criteria by which you'll choose the ideal condominium. With this in hand, you'll be more confident throughout the homebuying process.

Step 2: Know your market. Like any major purchase or investment, you'll want to understand the current market conditions as well as the long-term outlook. There are many resources available, from experienced real estate agents to newspapers and the Internet (although, always consider the source).

Step 3: Pre-qualify for a mortgage. Pre-qualifying with a mortgage lender is the best possible way to know how much

you can afford when looking at a condominium purchase. This also helps make your offer "stronger" as sellers prefer offers that are not subject to financing contingencies. A good mortgage lender can help you understand your down payment options, recommend a comfortable purchase price range and estimate monthly mortgage payments before you buy.

Step 4: Select your preferred neighborhood. There are thousands of condominiums out there so narrow your field by touring different neighborhoods and focus on one general area. Spend time there and sample the lifestyle. Stay a few nights in a local hotel and ask questions of your would-be neighbors – you can learn a lot in a coffee shop.

Step 5: Select your preferred building. Tour resale listings and new construction properties to evaluate what you can get for your money. If you're considering purchasing in pre-construction, remember the asking price reflects the price at closing, which may be a year or more from now so factor that into your analysis. Review the declaration and budgets to ensure that you're comfortable with the health of the overall condo association. In resales, don't be afraid to call the property

management company to review past board meeting minutes and always investigate concerning issues before you buy.

Step 6: Select your preferred home. Look at all your options in the building and compare to your purchase criteria. Pay attention to the unit's orientation for sunlight, explore the potential for view obstructions and be mindful of exterior sources of light and noise (i.e. street lamps and nearby clubs or fire stations). Always consider the resale value of your investment — this is where a real estate agent can be most helpful in representing your interests.

Step 7: Prepare your offer. Research the most recent sales in the building and compare the asking prices with the selling prices. In a competitive market, it's always best to prepare a strong offer with as few contingencies as possible. If you feel you may be competing for a home, consider a price escalation clause that helps keep you stay competitive.

Step 8: Review the documentation. Once your offer is accepted, it's critical to review the Public Offering Statement in detail within seven days of signing the Purchase & Sale Agreement. Unless you disapprove, it's assumed that you approve the documentation and are

committed to the purchase of the condominium.

Step 9: Prepare for closing. With your closing approaching, it's time to finalize your mortgage assumptions, which includes producing the remainder of your earnest money deposit. It is the buyer's responsibility to provide 100 percent of the funds required by the Purchase & Sale Agreement either in all cash or with a cash down payment and mortgage proceeds.

Step 10: Close the sale. Your escrow officer will provide you with an advance draft of the settlement statement, which lists the debits and credits being adjusted for both the Buyer and Seller accounts. You can also review the closing documents in advance for a more confident signing (most of the paperwork is regulated). Once completed, the transaction records and title transfers to you. Welcome home.

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