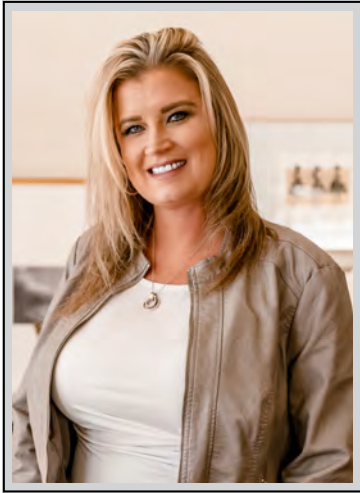


A high-angle photograph of a modern living room. The room features a large white fireplace with a black TV mounted above it. A brown leather sofa with a white tassel blanket is positioned on the left. In the center, there is a wooden coffee table with a patterned rug underneath. Two white armchairs with wooden frames are on the right. Large windows and a glass door provide a view of a golf course. A gold geometric chandelier hangs from the ceiling. The text 'MADISON & CO. PROPERTIES' is overlaid at the top.

MADISON

& CO. PROPERTIES

YOUR GUIDE TO  
BUYING REAL ESTATE



## Amanda Winter

Broker Associate, REALTOR®

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[www.5280HomesCO.com](http://www.5280HomesCO.com)

Madison & Company Properties is a premier real estate firm in the Denver Front Range. Our company is comprised of a group of experienced and knowledgeable real estate brokers and staff members who provide our clients with the highest level of personal service and expert advice. Whether you are buying, selling, or investing, the team at Madison & Company Properties is available to provide expertise in all your real estate property transactions.

We are committed to providing our buyers with an outstanding experience. As your trusted advisors, it is our responsibility to give the highest and best services while you purchase a new home. We pride ourselves on talented and experienced brokers who have a passion for real estate and will represent you with the highest quality and morals

# MADISON & CO. PROPERTIES

*Your Boutique Real Estate Agency*

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## COMMITTED

At Madison & Company Properties, we are committed to providing our clients with an outstanding real estate experience. We pride ourselves on being experts in the Denver real estate market, and we are dedicated to passing our knowledge along to you. Whether you are an experienced investor or a first time buyer, the REALTORS® of Madison & Company Properties are here to provide you with the best service possible.

## TRUSTED

Integrity is our core value at Madison & Company Properties. We know there are many real estate companies to choose from, and we take your trust in us very seriously. Buying or selling a home is one of the most important decisions you can make in your life. Our experienced and trustworthy agents at Madison & Company Properties are here to guide you through the process every step of the way.

## CONNECTED

Madison & Company Properties has four strategically located offices for convenience and to better serve our clients and REALTORS®.

### **CHERRY CREEK NORTH**

201 Milwaukee Street, Suite G  
Denver, CO 80206

### **GREENWOOD VILLAGE**

5975 S. Quebec Street, Suite 100  
Greenwood Village, CO 80111

### **EVERGREEN**

1193 Bergen Parkway, Suite O/P  
Evergreen, CO 80439

### **ESTES PARK**

Satellite Office

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# YOU'RE IN GOOD HANDS WITH A MADISON REALTOR®

*LOYALTY*

*OBEDIENCE*

*CONFIDENTIALITY*

*DISCLOSURES*

*ACCOUNTABILITY*

*REASONABLE CARE*



## ALL REAL ESTATE LICENSEES ARE NOT THE SAME.

*All of our Madison agents are required to be licensed members of the National Association of REALTORS®, which holds its members to a strict code of ethics and professional standards. So why use a REALTOR® vs an agent?*

### STRICT CODE OF ETHICS

Every REALTOR® must adhere to a strict code of ethics, which is based on professionalism and protection of the public. As a REALTORS® client, you can expect honest and ethical treatment in all transaction-related matters.

### UP-TO-DATE EXPERIENCE

Most people sell only a few homes in a lifetime, usually with quite a few years in between each sale. Even if you've done it before, laws and regulations change. REALTORS® handle hundreds of transactions over the course of their career.

### AN EXPERT GUIDE

Selling a home usually requires dozens of forms, reports, disclosures, and other technical documents. A knowledgeable expert will help you prepare the best deal and avoid delays or costly mistakes. There's also a lot of jargon involved, so you'll want to work with a professional who can speak the language.

### YOUR ROCK DURING EMOTIONAL MOMENTS

A home is so much more than four walls and a roof. For most people, property represents the biggest purchase they'll ever make. Having a concerned, but objective, third party helps you stay focused on the issues most important to you. There are many factors to consider when buying or selling a home and a REALTOR® can offer invaluable insight - insight that may save you a great deal of money - or save you from a terrible mistake. Real estate transactions can be complex; a REALTOR® can make a difference.

# BUYING PROCESS





# BUYING PROCESS

Snapshot





## DOCUMENTATION CHECKLIST

- Signed application package with borrower's authorization & 4506-T (request for a transcript of tax return)
- Your homeowner's insurance agent name and phone number
- Explanation letter for any derogatory credit, employment gap, or recent credit inquiries

## ASSETS

- Most recent 2 months' bank statements with ALL pages attached, even the ones stating "intentionally left blank"
- Most recent 2 months' statements for stocks, bonds, IRA's or other assets required for closing and/or reserves

## ADDITIONAL ITEMS - BORROWER SPECIFIC

- Social security and/or pension benefit awards letter(s)
- Evidence of any other income, example: child support, alimony, or disability
- Adjudicated divorce decree and separation paper
- Lease agreements for any rental property owned if not reflected on tax returns
- Schedule of real estate owned
- Most recent 2 years corporate and/or partnership tax returns (all pages) including K-1's (if 25% or more ownership of a business) YTD profit and loss statement for any business owned
- Title held in "revocable trust" - a copy of complete trust document (if applicable)
- Paystubs to cover 30 days
- 2 years of W2's

## DETERMINING YOUR BUDGET

*Factors to include when calculating your monthly payment:*

- Monthly HOA payments
- Property taxes
- Insurance costs

# BUYING PROCESS

## *Wants & Needs*

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Before we go look at homes, it is important to distinguish between what you need in a home versus what you want. If there are two of you making this decision, I would like both of you to complete the worksheet so that we are all clear as to what you are looking for in a home. Keep in mind, no home is going to have 100% of everything that you want and need. If we get to 85% that is just about right, so let's make an offer!

## LIST OF WANTS & NEEDS

- |   |                            |
|---|----------------------------|
| _____ Price of home                       | _____ Number of bedrooms   |
| _____ Style of home                       | _____ Number of bathrooms  |
| _____ Neighborhood                        | _____ Closet/storage space |
| _____ Views                               | _____ Type of heat         |
| _____ Near work                           | _____ General floor plan   |
| _____ Near schools                        | _____ Living room          |
| _____ Near shopping                       | _____ Fireplace            |
| _____ Freeway access                      | _____ Kitchen              |
| _____ Near recreation areas               | _____ Primary bedroom      |
| _____ Neighborhood covenants/restrictions | _____ Office               |
| _____ Overall look/feel of the house      | _____ Finished basement    |
| _____ Number of stories                   | _____ Backyard             |
| _____ Garage size                         | _____ Landscaping          |
| _____ Upgrades                            | _____ Guest quarters       |

OTHER:

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# BUYING PROCESS

## *Neighborhood Identification*

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### CENTRAL DENVER

- Baker
- Berkeley
- Belcaro
- Bonnie Brae
- Capitol Hill
- City Park
- Cheesman Park
- Cherry Creek
- Congress Park
- Country Club
- Lower Highlands (LoHi)
- Lowry
- Highlands
- Hilltop
- Montclair/Mayfair
- Park Hill
- Platt Park
- Sunnyside
- Sloans Lake
- Uptown
- Washington Park
- Whittier

### NORTH DENVER

- Westminster
- Northglenn
- Thornton
- Broomfield
- Commerce City
- Brighton

### SOUTH DENVER

- Centennial
- Highlands Ranch
- Lone Tree
- Parker
- Castle Rock

### WEST DENVER

- Arvada
- Lakewood
- Wheat Ridge
- Golden
- Morrison
- Evergreen

### SOUTHEAST/WEST DENVER

- Aurora
- Englewood
- Glendale
- Sheridan
- Littleton



### THINGS TO CONSIDER

- School systems.
  - Do you have a family or plans to start one?
  - Will you be commuting? How far are you willing to commute?
  - Do you need to live near a major highway or train station?
  - Do you need to be near major commerce?
-

# BUYING PROCESS

*The Funnel*

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**FSBO**

**NEW CONSTRUCTION**

**COMING SOON**

**MLS HOMES**

**NEW HOMES**



**ELIMINATE**

**MLS HOMES  
COMING SOON  
NEW HOMES**

**GOAL:**

**FIND OUR TOP 3 FAVORITES!**

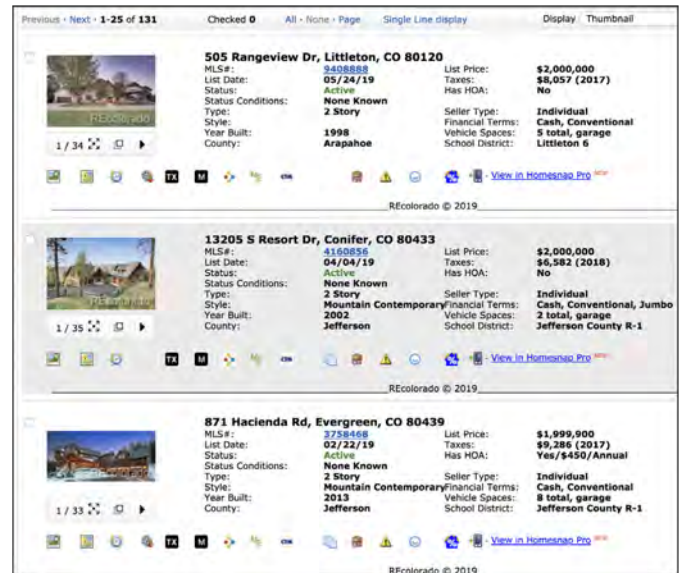
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### USING MATRIX PORTAL:

#### CENTRALIZED SEARCH SERVICE

Your Madison & Company agent has the tools to give you full access to search for properties with your wish list needs. Using REcolorado, you can customize your search to include only properties that would be the right fit for you.

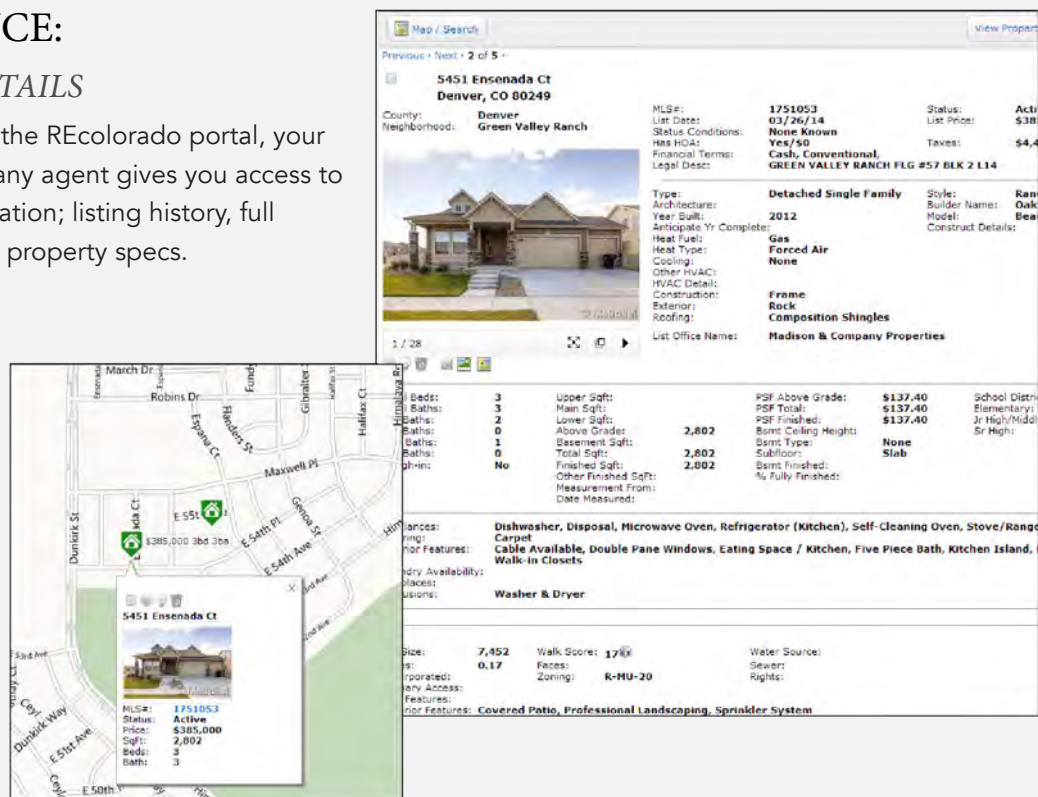
- Customize by price, square footage, bedrooms, etc.
- View on satellite map or standard map
- Insight into specific property details
- Auto e-mail searches are sent immediately



### AT A GLANCE:

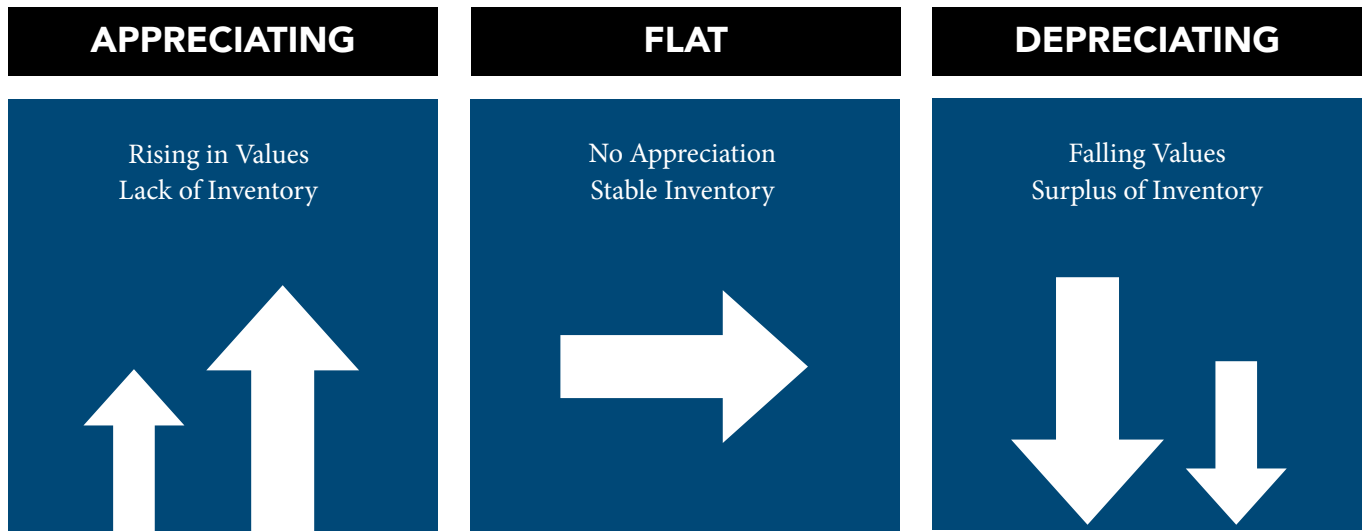
#### PROPERTY DETAILS

Available through the REcolorado portal, your Madison & Company agent gives you access to a wealth of information; listing history, full photo gallery, and property specs.



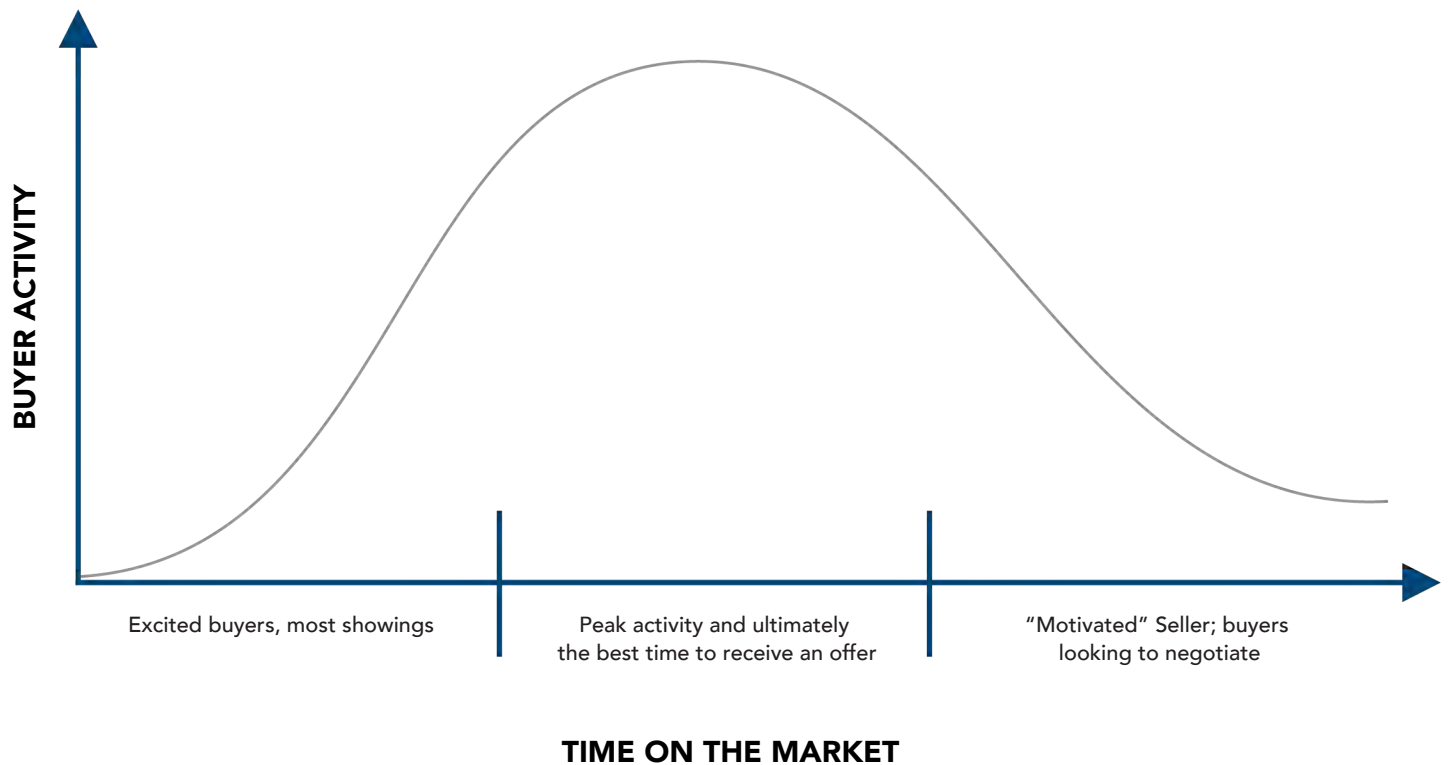
# BUYING PROCESS

*Market Conditions*



## PRICING

*It's all about timing*



*Source: Listings up*

# BUYING PROCESS

*Why Offer Price is So Important*

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The price you offer to pay for your desired home is based on a wide variety of factors. These are specific to the real estate market, your financial situation, and the home value itself. Among those home-buying factors are the health of the overall market, the physical condition of the house, desirability of the neighborhood, sale prices of “comps” or comparable homes in the neighborhood, resale potential, and seller motivation.

Buyers will benefit from the professional advice of a REALTOR® when it comes to effectively advising the correct offer price for a property and understanding today’s market trends. A knowledgeable, skilled REALTOR® will offer expertise and guide customers through today’s complicated real estate process.

At Madison & Company Properties, we have developed specialized tools to help you get the home you desire. We offer up-to-the-minute information about the Denver real estate market, including specifics about what is happening in your preferred neighborhood.



## THE COMPARATIVE MARKET ANALYSIS (CMA)

How much is your home worth? Should you ask for more? How long will it take to sell? Your Madison REALTOR® can provide the answers to these and many other questions by completing a Comparative Market Analysis (CMA), which takes into account all the variables that may affect the value and marketability of your home.

## COMPARABLE PROPERTY DATA

Research of similar homes currently on the market, as well as recent sales and expired listings, help determine your home’s fair market value.

## MARKET CONDITIONS & COMPETITION

Economic outlook and seasonal trends, as well as the number of competitive homes on the market, can affect demand for your home.

## MORTGAGE CONDITIONS & OUTLOOK

Interest rates and anticipated movement up or down affect the size of your prospect pool.

## LOCATION

Proximity to schools, parks, shopping, and transit can play a significant role in determining your listing price.

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# UNDER CONTRACT PROCESS





## 1ST PHASE | TITLE COMMITMENT

Within one week of going under contract, you will receive a document called the Title Commitment. This will be sent from the title company to your REALTOR® showing chain of title for the home you are under contract on.

Title insurance is a one-time charge which protects your investment against loss arising from flaws and defects already existing in the title for as long as you or your heirs own the property.

Title insuring begins with a search and examination of public land records for matters affecting the title to real estate. Over the years, a home and the land that it sits on may go through several ownership changes. This history of ownership is referred to as the “chain of title.”

Because people are involved in recording deed transfers and plotting land parcels, there is room for errors. Problems with the title can limit your use and enjoyment of the property, as well as bring financial loss. Title searches help to uncover these errors before a piece of property changes hands. Title clearing and remediation are a large part of what title insurers do.

### COMMON TITLE DEFECTS

- Fraud and Forgery
- Liens for Unpaid Taxes
- Outstanding Mortgages
- Easements
- Incorrect Notary Acknowledgments
- Improper Vesting and Incorrect Names

**Your title policy is an important document and should be kept in a safe location in case any issues arise later.**

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# UNDER CONTRACT

## Inspection

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### 2ND PHASE | INSPECTION

This is the second phase of being under contract. Your REALTOR® will recommend a few inspectors whom they use often and trust to do a full inspection of the home you are purchasing. How soon the inspection will be scheduled depends on your inspection objection deadline, per the contract. We recommend that you attend the inspection or at least the end, so that if you have any concerns regarding the property you will have the opportunity to ask questions.

#### WHAT DOES THE INSPECTION COVER?

- Exterior
- Structure
- Roofing
- Electrical
- Heating and A/C
- Plumbing
- Insulation
- Interior

#### WHAT'S NOT COVERED?

(all of which can be ordered/inspected separately)

- Sewer
- Well / Septic
- Radon
- Structural Report
- Environment
- Exterior Specialists

### HOW LONG DOES THE INSPECTION LAST?

The inspection could last anywhere from 1-5 hours. Every inspector is different, and it also depends on the square footage of the home being inspected.

### WHAT HAPPENS AFTER THE INSPECTION?

You will either be sent an e-mail or given a fully detailed report of the inspection. Usually, the inspector labels every component from above as:

**SATISFACTORY** - Indicates the component is functionally consistent with its original purpose but may show signs of normal wear and tear and deterioration.

**MARGINAL** - Indicates the component will probably require repair or replacement anytime within five years.

**POOR** - Indicates the component will need repair or replacement now or in the very near future.

**MAJOR CONCERNS** - A system or component that is considered significantly deficient or unsafe.

**SAFETY HAZARD** - Denotes a condition that is unsafe and in need of prompt attention.

With your REALTOR®, you will then determine what you would like to request from the sellers to either fix or repair so that it can be written up in the Inspection Objection. Keep in mind - unless said otherwise, we try to keep the inspection request to items that are health and safety risks. Requesting that they paint the house blue is not an appropriate inspection item.

*NOTE: If you are not comfortable with defects found during the inspection period, talk with your agent. If you are within your deadlines pertaining to inspection, you may be able to terminate the contract, or you can try to work towards a resolution with the seller on an agreement about what will or will not be repaired or replaced.*

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## 3RD PHASE | APPRAISAL

### WHAT IS A PROPERTY APPRAISAL?

Getting a property appraisal is a standard part of the mortgage process. Banks and mortgage companies will give a homeowner a loan based on the appraisal value of the property they want to buy. When you use a home as collateral for a loan, the lender wants an appraisal report to make sure the loan will be guaranteed by the value of the property.

An appraiser's report is more detailed than a Comparative Market Analysis (CMA), which determines the market value of a property by comparing it to similar properties in the same area. Lenders want an appraiser's report (not a CMA) before they will grant the home loan.

### APPRAISAL REPORT

An appraisal report (of what is called the "subject property") can be quite detailed. Some of the items included deal with the following aspects:

- Comparing the subject property with three similar properties in the area.
- Assessing the real estate market in the place where the subject property is located.
- Highlighting negative aspects affecting the market value of the subject property, such as poor access to the property or an unstable foundation.
- Estimating how long it should take to sell the property.
- Describing the area in which the property is located.

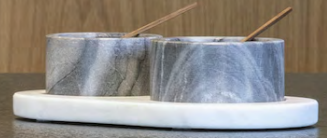
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## 4TH PHASE | LOAN MONITORING

### LOAN MONITORING

Your loan needs to be satisfactory to you and there are a couple of dates in the contract that pertain to your review and acceptance of your loan and its terms. You need to be familiar with these dates and what they mean so make sure to review these dates with your REALTOR®. If you are not satisfied with the terms of your loan and you are within the deadlines of your contract, you may be able to terminate or extend the dates to allow you time to get more clarity.

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## DON'T BUY IF YOU CAN'T STAY PUT

If you can't commit to remaining in one place for at least a few years, then owning is probably not for you, at least not now. With the transaction costs of buying and selling a home, you may end up losing money if you sell any sooner - even in a rising market. When prices are falling, it's an even worse proposition.

## START BY SHORING UP YOUR CREDIT

Since you most likely will need to apply for a mortgage, you must make sure your credit history is as clean as possible. A few months before you start house hunting, get copies of your credit report. Make sure the facts are correct, and promptly correct any problems you discover.

## AIM FOR A HOME YOU CAN REALLY AFFORD

The rule of thumb is that you can buy housing that runs about two-and-one-half times your annual salary. But you'll do better to use one of many calculators available online to get a better understanding of how your income, debts, and expenses affect what you can afford.

## IF YOU CANNOT PUT DOWN THE USUAL 20%, YOU STILL MAY QUALIFY FOR A LOAN

There are a variety of public and private lenders who offer low-interest mortgages that require a small down payment if you qualify.

## WIRE FRAUD

We strongly recommend only relying on wiring instructions that come from a more secure source such as in person communication, a phone call that you initiated, or through secure mail or package services. Your Madison & Company agent will NEVER PROVIDE YOU WIRING INSTRUCTIONS. If you receive an e-mail providing wiring instructions that purports to come from us, it is a fraudulent e-mail.

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# BUYING RESOURCES

*Helpful Tidbits*

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## CHOOSE CAREFULLY BETWEEN POINTS AND RATE

When selecting a mortgage, you usually have the option of paying additional points in exchange for a lower interest rate. If you stay in the house for a considerable time, say three to five years (or more), it's usually a better deal to take the points. The lower rate may save you more in the long run.

## BEFORE HOUSE HUNTING, GET PRE-APPROVED

Getting pre-approved will save you the grief of looking at houses you can't afford, and it will put you in a better position to make a serious offer when you do find the right house. Not to be confused with pre-qualification, which is based on a cursory review of your finances, pre-approval from a lender is based on your actual income, debt, and credit history.

## DO YOUR HOMEWORK BEFORE BIDDING

Your opening bid should be based on the sales trend of similar homes in the neighborhood. So before making it, consider sales of similar homes in the last three months.

## WHY USE A REALTOR®

All of our Madison & Company agents are required to be licensed REALTORS® so that we can better serve you when buying a home. As a REALTOR®, we provide much more than a service of helping you find your ideal home. We are expert negotiators with other agents, seasoned contract writers and executors, and superb navigators around the local neighborhood. We abide by a Code of Ethics and Standards of Practice enforced by the National Association of REALTORS® (NAR). Keep in mind that all real estate agents may be licensed but may not be professional REALTORS®. Buying a home is a big investment decision for you, so make sure you are being represented to the fullest potential.

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