Residential
PROPERTIES
LTD.

YOUR PERSONALIZED GUIDE TO

BUYING *a* HOME



THE BUYING PROCESS

1. INITIAL MEETING WITH ME, A QUALIFIED BUYER'S AGENT

- Discuss your goals and needs
- Read through the home buyer's guide
- Discuss market conditions
- Discuss locations and property types you are attracted to

2. DISCUSS BUDGET, FINANCING AND LENDERS

- Having mortgage preapproval helps with:
    - Determining buying power
    - Refining our price range
    - Making your offer more competitive

3. BEGIN THE HOME SEARCH

- Begin the home search:
    - Set up automated property searches on RI MLS. This instantly sends any new inventory directly to our inbox.
    - Accept email invitation from RI MLS to allow notifications to be directly sent to you.
    - Contact Residential Properties agents to inquire if they may have any fitting properties on the horizon.

THE BUYING PROCESS

4. SCHEDULE SHOWINGS

- Attend open houses and/or showings with agent
- Narrow down our prospects
- Create market analysis and analyze the comparable listings
- Strategize about our offer

5. PREPARE, REVIEW AND SUBMIT OFFER

- Draft all offer documents and related addendum
- Review offer, disclosures, and any possible legal issues
- Submit the offer to listing agent
- If paying cash, you must present proof of funds

6. CONTRACT ACCEPTANCE AND CLOSING

- Negotiate (on your behalf) to get contract accepted
- Review your dates, deadlines, and make an action plan
- Communicate with all related parties
- Attend final walk-through together
- Coordinate and attend final closing

MY PROMISE *to* YOU

• I will **attentively listen to your needs** and dedicate myself to assisting you in achieving your real estate goals.

• I will provide **guidance**, **negotiate** on your behalf, and **act as your advocate** throughout the entire transaction.

• I am committed to keeping you well-informed about neighborhoods and ensuring you are **up-to-date on current market conditions.**

• Together, we will **discuss the risks and benefits** associated with different homes, always considering how they align with your specific objectives.

• I will use my expertise to help you **discover an ideal home** that perfectly meets your requirements.

• Drawing upon my market knowledge and quantitative skills, I will work diligently to help you **present the strongest offer** possible, particularly in situations involving multiple offers.

• I will diligently **handle all necessary paperwork**, ensuring that every monetary aspect and deadline is properly accounted for.

• I am committed to maintaining a professional, collaborative, and communicative approach in all interactions.

• I hold myself to the **highest ethical standards** and always prioritize acting with integrity.

• Rest assured that I will make every effort to respond to your needs promptly. If you have an urgent matter, **please feel free to reach out via text or phone**, as they are the fastest means of contacting me.

• My goal is to manage the entire process smoothly, ensuring it remains **stress-free** and **enjoyable** for you.

EXPENSES *to* EXPECT

PRE CLOSING

EARNEST MONEY

• Approximately 3-5% of the home's purchase price, which will be applied towards your down payment at closing.

    • Doctor or VA loans may require a different amount

INSPECTIONS

• General Inspection: $500 - $800*
• Sewer: $200-$300
• Radon Test: $150 - $200
• Appraisal Fee: $500 - $700
• Other Tests may include well water, septic, lead, asbestos, hazardous waste & materials

AT CLOSING

LOAN CLOSING COSTS

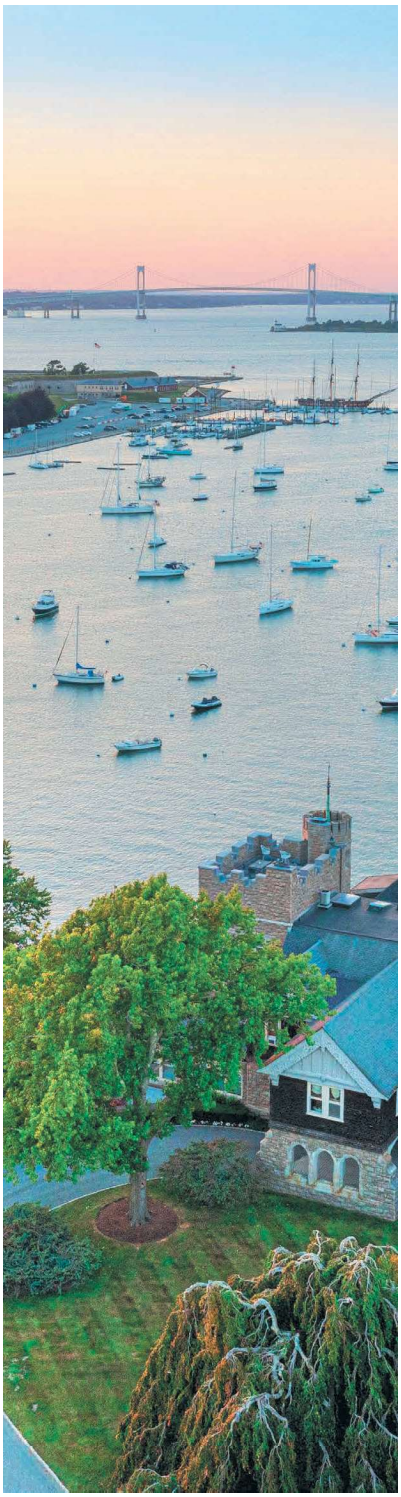
• Detailed estimate provided by lender. Your lender can provide the best estimate for this cost.

CASH DUE AT CLOSING

• Processing fees, underwriting fees, pre-paids, escrows
• Remainder of down payment

PRICES WILL VARY DEPENDING ON PROPERTY TYPE, MARKET CONDITIONS, SIZE OF HOME, etc.

BUYING *vs.* RENTING



LONG-TERM FINANCIAL BENEFITS

Owning a home provides significant long-term financial advantages over renting. Instead of paying monthly rent that goes towards someone else's investment, homeowners have the opportunity to build equity over time. Property values in Rhode Island tend to appreciate, allowing homeowners to potentially benefit from the increase in their property's worth. This appreciation translates into a valuable asset that can be leveraged in the future, providing a solid foundation for financial stability.

STABILITY AND COMMUNITY

Renting often comes with the uncertainty of lease renewals and fluctuating rental rates, while homeownership provides a more stable living situation. By purchasing a home, individuals and families can establish roots in a community, fostering a sense of belonging and pride.

RHODE ISLAND MARKET UPDATE

Q2 2023 VS Q2 2022

Q2 2023	Q2 2022	PERCENT CHANGE
2,889 HOMES SOLD	3,781 HOMES SOLD	-23.6% SINCE 2022
$520k AVERAGE SALES PRICE	$511k AVERAGE SALES PRICE	+1.8% SINCE 2022
30 AVERAGE DAYS ON MARKET	26 AVERAGE DAYS ON MARKET	+15.3% SINCE 2022

YOUR HOMEWORK

Top towns of interest:

Required bedroom / bathroom count:

Maximum bedroom / bathroom count:

Ideal square footage and amenities:

AMENITY CHECKLIST:

- ☐ Central air conditioning
- ☐ Central heating
- ☐ Attached or detached garage
- ☐ Waterfront
- ☐ Water view
- ☐ Swimming pool
- ☐ Hot tub or Jacuzzi
- ☐ Outdoor kitchen or BBQ area
- ☐ Covered patio or deck
- ☐ Fireplace or wood-burning stove
- ☐ Energy-efficient windows
- ☐ Energy-efficient insulation
- ☐ Electric car charging station
- ☐ Solar panels
- ☐ Energy-efficient heating and cooling systems (e.g., geothermal, radiant heating)
- ☐ Walk-in closets
- ☐ Hardwood or high-quality flooring
- ☐ Modern kitchen appliances (oven, stove, refrigerator, dishwasher, microwave)
- ☐ Kitchen island or breakfast bar
- ☐ Granite or quartz countertops
- ☐ Walk-in pantry
- ☐ Formal dining room
- ☐ Open concept floor plan
- ☐ Home office or study
- ☐ Media room or home theater
- ☐ Exercise or fitness room
- ☐ Wine cellar or bar area
- ☐ Sauna or steam room
- ☐ Vaulted ceilings
- ☐ Crown molding and detailed trim work
- ☐ Smart home features (home automation, security system, etc.)
- ☐ High-speed internet and wired networking
- ☐ Intercom system
- ☐ Laundry room with sink and storage
- ☐ Mudroom
- ☐ Sunroom or enclosed porch
- ☐ Solar panels or green energy features
- ☐ Skylights
- ☐ Garden or greenhouse
- ☐ Fenced yard or privacy fencing
- ☐ Playhouse or playground area for kids
- ☐ Basketball court or sports area
- ☐ Outdoor shower
- ☐ Rainwater harvesting system
- ☐ Back-up generator
- ☐ Security cameras or motion sensors
- ☐ Gated community or private entrance
- ☐ Nearby public transportation or walking distance to amenities
- ☐ Privacy
- ☐ Access to outdoor recreational areas
- ☐ Ample storage spaces
- ☐ Centralized audio and speaker system
- ☐ Nanny or guest quarters
- ☐ Wine cooler or cellar
- ☐ Fenced-in yard for pets
- ☐ RV parking or designated space for boats and other recreational vehicles

HELPFUL LINKS

Here is a selection of websites you may find helpful during the buying process.

- www.ri.gov
- www.dmv.ri.gov
- www.municipalfinance.ri.gov
- www.greatschools.org
- www.ride.ri.gov
- www.providencejournal.com
- www.visitrhodeisland.com
- www.rimonthly.com
- www.health.ri.gov
- www.sba.gov/content/rhode-island-chambers-commerce-0 www.dlt.ri.gov
- www.rigensoc.org
- www.provwater.com
- www.narrabay.com
- www.usps.com
- www.verizon.net
- www.cox.com

RHODE ISLAND MANDATORY REAL ESTATE RELATIONSHIP DISCLOSURE

R.I.G.L. § 5-20.6 allows a real estate broker or salesperson to provide real estate services to you whether you are a buyer, seller, tenant, or landlord. The minimum level of service required by law will depend on the type of relationship that you wish to have with a real estate licensee. These relationships are defined on this form. Although it is not legally required, you may also choose to sign a written contract to further define your relationship. The principal broker of the real estate brokerage or a person designated by him or her must also agree to the type of relationship that you choose to have with the licensee.

Types of Real Estate Relationships

TRANSACTION FACILITATOR

A Transaction Facilitator is a real estate licensee who provides assistance to a buyer, seller, tenant, or landlord, or both, in a real estate transaction but does not represent you.

A Transaction Facilitator owes the following duties to you as a customer: to perform agreed upon ministerial acts timely and competently; to perform these acts with honesty, good faith, reasonable skill and care; and properly account for money or property placed in the care and responsibility of the principal broker. A licensee acting as a transaction facilitator does not owe confidentiality or any other fiduciary duties to a customer. A Transaction Facilitator does not represent you and cannot negotiate on your behalf.

DESIGNATED CLIENT REPRESENTATIVE

A Designated Client Representative is a real estate licensee who represents a buyer, seller, tenant, or landlord in a real estate transaction and advocates on your behalf.

A Designated Client Representative owes the following duties to you as a client: to perform the terms of the client representation contract, if any, with reasonable skill and care; promote the client's best interest in good faith and honesty; protect the client's confidential information during the relationship and after its termination; perform agreed upon ministerial acts timely and competently; perform these acts with honesty, good faith, reasonable care and skill; and to properly account for money or property placed in the care and responsibility of the principal broker. Only the real estate licensee(s) who have been specifically appointed by the principal broker or the principal broker's designee may represent you as a client. The other real estate licensees who are affiliated with the brokerage owe no duty to you except for confidentiality. If another licensee who is affiliated with the same brokerage becomes a Designated Client Representative for another party in a transaction with you, then that other affiliated licensee has no duty to protect any confidential information about you learned after he or she begins to represent the other party. In order for a real estate licensee to represent you as a Designated Client Representative, the licensee must obtain your informed written consent and provide you with a written notice.

NEUTRAL DUAL FACILITATOR

A neutral Dual Facilitator is an individual real estate licensee who assists a buyer and seller or tenant and landlord in the same transaction and must be neutral as to any conflicting interests between the parties to the transaction.

A neutral Dual Facilitator relationship exists solely for a specific transaction between the parties. A Dual Facilitator must be neutral as to any conflicting interests between the parties to the transaction. A Dual Facilitator owes the following duties to all parties: protecting the confidential information of you and the other party except where disclosure is required or permitted by state law; and accounting for funds. This Mandatory Real Estate Relationship Form cannot be used to obtain your consent to a Dual Facilitator relationship. In order for a real estate licensee to assist you as a neutral Dual Facilitator, the licensee must obtain the informed, written consent from you, the other party and the principal broker on a separate Dual Facilitator consent form.

TRANSACTION COORDINATOR

A Transaction Coordinator is a principal broker or his or her designee who supervises a real estate transaction.

The principal broker or his or her designee assumes this role in a transaction in which one affiliated licensee represents a buyer or tenant as a designated client representative and another affiliated licensee represents a seller or landlord as a designated client representative in the same transaction or if one affiliated licensee is assisting both the buyer and seller or landlord and tenant in the same transaction as a dual facilitator. A transaction coordinator does not owe any fiduciary duties to any party in a transaction except the duties to protect the confidential information of the parties and to properly account for money placed in his or her care. A principal broker or his or her designee becomes a Transaction Coordinator automatically, so a customer or client is not required to sign an additional disclosure form.

Real Estate Licensee's Responsibilities

R.I.G.L. § 5-20.6-8 requires any real estate licensee who assists you to present this form to you prior to the disclosure of any confidential information. A real estate licensee must also disclose which party they represent and obtain your written acknowledgement of that relationship. The law also requires real estate licensees to fulfill the duties of their relationship with you as defined by state law and/or in a written contract. Failure to comply with this law is a violation of Rhode Island license law and can result in disciplinary action to the licensee.

Consumer Information and Responsibilities

If you wish to have a real estate licensee represent you, this relationship must be established no later than the preparation of an offer to purchase, purchase and sales agreement or lease. Rhode Island law presumes that all real estate licensees are acting as Transaction Facilitators unless otherwise stated on this form. A real estate licensee can act as your designated client representative only if that real estate licensee obtains your informed written consent to that relationship on this form.

A principal broker may only appoint a real estate licensee to represent you as a Designated Client Representative with your informed, written consent acknowledged on this Mandatory Relationship Disclosure Form. This designation as your representative applies only to the real estate licensee(s) listed below. An inherent conflict of interest may exist if a buyer chooses a designated client representative affiliated with the same principal broker as the seller's designated client representative. Other licensees affiliated with the company do not represent you or owe you any duties, except for confidentiality in accordance with R.I.G.L.§ 5-20.6-5(e), unless disclosed to you in writing. Also, these other licensees may represent or assist another party in your real estate transaction.

If the real estate licensee who provided this disclosure is a member of a team, 230-RICR-30-20-2.31(B) states "When a Team is working with a prospective buyer, seller, tenant or landlord, the relationship of each licensee on the team to the client(s) must be disclosed in accordance with R.I. Gen. Laws § 5-20.6-8." **[Sign and attach an Addendum for teams.]**

230-RICR-30-20-2.2 (A)(13) defines a team as "two (2) or more licensees who: (a) Work under the supervision of the same principal broker to perform activities that require a license; (b) Represent themselves to the public as being part of a team or group; and (c) Are designated by a team name that is both approved by the principal broker and different from the brokerage name of their principal broker."

Consumer and Broker Acknowledgement

By signing below, I, the consumer, acknowledge that I have received and read the information in this Rhode Island Mandatory Relationship Disclosure Form. I understand and agree that the real estate licensee has disclosed that he or she will be working with me in the following capacity

Seller/Landlord
☐ Transaction Facilitator
☐ Designated Client Representative

Buyer/Tenant
☐ Transaction Facilitator
☐ Designated Client Representative

Consumer Signature	Printed Name	Date
Consumer Signature	Printed Name	Date
Consumer Signature	Printed Name	Date

By signing below, I, the real estate licensee, acknowledge that I have provided this disclosure form to the above consumer(s) as required by Rhode Island law.

Name of Brokerage Firm _____ Name of Team _____

Licensee Signature	Printed Name	License #	Date

☐ **Licensee: please initial here if the consumer declines to sign this notice and state the consumer's reason for refusal:**

EXCLUSIVE BUYER REPRESENTATION AGREEMENT

Rhode Island Association of REALTORS®

1. PARTIES:

This Exclusive Buyer Representation Agreement ("Agreement") is made and entered into by ("Buyer"):

_____

_____

_____

and the real estate brokerage firm of_____ ("Brokerage Firm"). Buyer engages Brokerage Firm for services of Designated Buyer Representative to act as Buyer's exclusive representative to assist with the purchase, lease, or other acquisition of real property.

2. TERM OF AGREEMENT:

This Agreement is effective on _____, 20___ and shall continue until midnight on _____, 20___. If, at the time of expiration, the Buyer has entered into a purchase and sales agreement for property which was located during the term of this Agreement, the parties agree that this Agreement will automatically extend through the closing date of the transaction.

3. APPOINTMENT OF DESIGNATED BUYER REPRESENTATIVE:

Buyer agrees to Principal Broker's appointment of the following affiliated real estate licensee(s) to act as Designated Buyer Representative(s) and to perform the duties stated in paragraph 4. Name(s)_____

Buyer understands and agrees that Principal Broker may appoint additional Designated Buyer Representatives as needed with Buyer's written consent.

4. ACKNOWLEDGMENT OF RI DISCLOSURE FORM:

_____ Buyer acknowledges that Buyer has received the Rhode Island Mandatory Real Estate Relationship Disclosure.

(Buyer's Initials)

5. DESIGNATED BUYER REPRESENTATIVE'S DUTIES:

a. Designated Buyer Representative will assist Buyer in Designated Buyer Representative's capacity as a real estate licensee with the purchase, leasing or other acquisition of real estate in the state of Rhode Island in the following (check all that apply):
   - ☐ Geographical area: _____
   - ☐ Other: _____

   _____
b. Designated Buyer Representative will assist Buyer with locating and viewing real property by searching Multiple Listing Service listings.
c. Designated Buyer Representative will assist Buyer with negotiations for terms and conditions that are agreeable to Buyer.
d. Designated Buyer Representative will protect Buyer's confidential information and will not disclose it to other customers or clients. Designated Buyer Representative cannot disclose the confidential information of other clients to Buyer.
e. Additional Services: _____

   _____

6. BUYER'S DUTIES:

a. Buyer agrees to work exclusively with Designated Buyer Representative to find real property, including, but not limited to, State-Wide Multiple Listing Service listings, for sale by owner, and other non-MLS listings, to purchase, lease, or otherwise acquire.
b. Buyer agrees to be reasonably available to view real property.
c. Buyer agrees to refer to Designated Buyer Representative all leads and information about real property that interests Buyer.
d. Buyer authorizes Designated Buyer Representative to verify financial and other information regarding Buyer's ability to buy real property.
e. Buyer agrees to schedule all appointments to see property exclusively through Designated Buyer Representative.
f. Buyer agrees to refer specialized questions to the proper expert, including, but not limited to, a home inspector, attorney, tax advisor, appraiser or appropriate government official.
g. Buyer agrees to share any and all inspection reports with Designated Buyer Representative.

7. DUTIES OF OTHER AFFILIATED REAL ESTATE LICENSEES:

Any affiliated real estate licensee who has not been named as a Designated Buyer Representative owes the Buyer only the duty of confidentiality. Buyer understands and agrees that Principal Broker and its affiliated real estate licensees may also represent Sellers of real properties with competing or conflicting interests, including Sellers of real property that Buyer wishes to purchase. Principal Broker, including Designated Buyer Representative, may represent other buyers who are interested in the same properties as Buyer and may perform the duties described in Paragraph 4 above on their behalf and will protect all Buyers' confidential information.

8. DUAL FACILITATION:

If Buyer becomes interested in real property that is listed by Designated Buyer Representative for a Seller client, Buyer, Seller, and Principal Broker will be asked to sign a Dual Facilitator Consent form to authorize Designated Client Representative to assist both parties as a neutral Dual Facilitator. The Dual Facilitator can assist both parties in a transaction but shall be neutral as to any conflicting interests between both parties. The Principal Broker will act as a neutral Transaction Coordinator, remaining impartial to each client while facilitating a mutually agreeable transaction. Principal Broker and its affiliated licensees will not disclose Buyer's or Seller's confidential information except where disclosure is required by state law. If either Buyer or Seller does not consent to the dual facilitation, Principal Broker may appoint another affiliated licensee to act as a Designated Client Representative for that party with that party's consent.

Copyright© 2022 Rhode Island Association of REALTORS®

This copyright protected form was produced using Instanet Solutions' Instanet Forms service.

TRANSACTIONS TransactionDesk Edition

9. COMPENSATION:

a. If, Buyer purchases a property listed in MLS, offered as a for sale by owner or by private sale, compensation in the amount of $_____ dollars; or _____ percent of the total gross purchase price; or Other (*please specify*) _____, as stated on the purchase and sales agreement is due to Brokerage Firm. Buyer authorizes Brokerage Firm to collect compensation that is offered to cooperating brokers in a Multiple Listing Service, from the Seller or from other parties. In the event that the amount being offered by these sources listed is less than the amount due, Buyer (*check one*) ☐ is ☐ is not responsible for paying Brokerage Firm the difference.

b. Compensation is due to Brokerage Firm under the following circumstances:
   1. Buyer enters into an enforceable purchase and sales agreement or other agreement to purchase, lease, or otherwise acquire real property in accordance with the terms of this Agreement. Compensation is due upon the closing and recording of the deed.
   2. If within _____ days of termination of this Agreement, Buyer acquires real property which was identified in accordance with the terms of this Agreement unless Buyer has entered into an Exclusive Buyer Representation Agreement with another brokerage firm after termination of this Agreement; or
   3. If the completion of a purchase, lease, or other acquisition of real estate, is prevented by Buyer's default, compensation to Brokerage Firm is due from Buyer upon default.

c. At the time of signing this Agreement, Buyer agrees to pay Brokerage Firm a non-refundable retainer in the amount of $_____dollars, which will be applied towards the compensation due in paragraph (a).

d. Buyer acknowledges that Buyer is not subject to an exclusive buyer representation agreement with another brokerage firm. By entering into multiple buyer representation agreements, Buyer understands that Buyer could be liable for paying multiple fees.

e. Brokerage Firm shall not accept compensation from more than one party, even if permitted by law, without disclosure to all parties and the informed consent of Buyer.

10. OTHER CONSIDERATIONS:

a. **Dispute Resolution:** Buyer and Brokerage Firm understand that this is a binding contract, which shall be governed and interpreted in accordance with the laws of Rhode Island. Either party may enforce his rights under this Agreement in a court of law or through binding arbitration. The prevailing party shall be entitled to payment of costs and expenses as part of the award, including reasonable attorney's fees, by the non-prevailing party.

b. **Fair Housing:** Buyer and Brokerage Firm shall comply with federal and state housing laws, which prohibit discrimination based on protected class status, including, but not limited to race, national origin, age, color, religion, sexual orientation, gender identity or expression, familial status, marital status, sex, disability, service member in the armed forces, veteran, victim of domestic violence, and lawful source of income. Brokerage Firm discourages Buyer from submitting to a Seller personal photographs or letters that discuss a Buyer's protected class status, which could lead to illegal discrimination by a Seller.

c. **Disclosure of Offers:** Buyer understands the possibility that Seller or Sellers' representatives may not treat the existence, terms, or conditions of offers as confidential unless confidentiality is required by law, regulation, or by any confidentiality agreement between the parties.

d. **Audio/Video Recording:** Buyer is advised that some home sellers use audio or video surveillance to monitor and/or record conversations.

11. ADDITIONAL PROVISIONS:

NOTICE: THIS IS A LEGAL DOCUMENT THAT CREATES BINDING OBLIGATIONS.
IF NOT UNDERSTOOD, CONSULT AN ATTORNEY.

12. SIGNATURES:

Buyer and Brokerage Firm agree that this document reflects the entire understanding between them and is a binding contract.

_____	_____	_____
Buyer	Printed Name	Date
_____	_____	_____
Buyer	Printed Name	Date
_____	_____	_____
Buyer	Printed Name	Date
_____	_____	_____
Buyer	Printed Name	Date
_____	_____	_____
Principal Broker or Authorized Representative of Brokerage Firm	Printed Name	Date

_____ Buyer(s) acknowledges that he/she has received a copy of this Agreement.
(Buyer's Initials)

This entire form is licensed for the exclusive use of members in good standing of the Rhode Island Association of REALTORS® and is protected by federal and state copyright law. Unauthorized use of this form is prohibited and can result in civil and criminal penalties. *All rights reserved. Copyright© 2022.*
This copyright protected form was produced using Instanet Solutions' Instanet Forms service.

TRANSACTIONS TransactionDesk Edition