

Connor MacIvor: [00:02](#) Good day everybody. Connor MacIvor. This is your local real estate update here for Santa Clarita Valley cities, longest running real estate podcast and video radio show regarding real estate. We had our advent in the real estate business back in 1998. That was the year we. Well, I first got licensed and started to represent buyers and sellers here in Santa Clarita Valley, 1996. We moved out here from Burbank, California and of course the rest is history. Running a real estate business is very interesting and a lot of times we come across people that have given bad information to clients that have sought us out or sought us out after time. They get tired of whom they're working with and they want to come and work with other people. And we're very blessed in that. Today we're going to talk about closing costs because this happened in this very last week.

Connor MacIvor: [00:52](#) We did have some folks come in that, uh, look like deer caught in the headlights. If you've ever seen that they didn't understand what I was talking about when I asked that question, what do you think? How are you going to have you given any thought to paying closing costs? So we'll get into that. Of course. Local resource here. SCVNest.Com, our main system, v e n e s t dot Com. You can come here, search for real estate. Of course ad nauseum. You can find different ways to search city's neighborhoods, addresses, mls number, schools, school districts that goes, areas, counties. You can use keywords or features like swimming pools and blinds and carpet and hardwood and those sorts of things. Looking at real estate inventory, we are down quite a bit at 670. We've been floating around about 700, 720 units for sale. We see this kind of a slow down as we enter into the winter months and the holiday months.

Connor MacIvor: [01:52](#) We just came through Thanksgiving here. We're closing out in November of 2018 and we're still seeing these, uh, these real estate listings that are being removed off the market to allow for a 90 day reset. So a lot of that stuff's going to be happening. Closing out here at the end of November and beginning of December, your pricing, what are you talking about? Let me explain. What happens is when you pull a real estate listing off the market for a period of 90 days, then when the property is relisted, it doesn't show any other days on market timeframe, so it doesn't indicate the past historical listing within the normal mls. Of course you'll be able to find that. It's not that somebody is hiding you for you. That's just the rules and regulations from the MLS. A lot of sellers believe there's a lot of advantage to that because it doesn't show as if they're desperate and I do

think that helps on the long run when they do put those properties on the market.

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We have a few as well. We're going to be removing. They just happen to miss that hot part of the market and we're going to be coming on next year and get those properties sold, so something to consider, but that's at 617 and then also their California 16,624 as of today, November six, 26th, 2018. It's nine, 19 hours. Now let me give you some other insight before I get into closing costs and how all that works for you. Real estate buyers and even real estate sellers. I'll be able to explain all that and kind of what to watch out for, uh, when it comes to loans and lending as well, because part of those closing costs, at least for a real estate buyer, going to be what that lender is charging them to originate or get them alone. So we'll talk about that. The rest of this here with these 16,620 for real estate listings currently for sale in all of southern California.

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I didn't want to talk about the stuff that happens to be in escrow. Fifty 276 listings in escrow. So basically these are properties that are under contract or in pending status, this is what's in process. You can bet about a third of these properties are going to return and go back on the market and the reason being maybe not for what you would expect. A lot of times real estate listings bomb or go back on market bom because of a buyer issue and a lot of times it's because the lender that the buyer hired did not do their due diligence when it came to vetting them enough to see if they're qualified for a home loan. Here's the thing, whenever we're working with a client, I'm going to ask you about your lender. I'm going to ask you where you found them, what your relationship is with them, not to strip you away, not to take you away and give you to a lender.

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I know his grain and the business and get the job done, but to find out where your lender's mind is. Has your lender ran all of your numbers? Have they pulled your full credit report? Have they have you given them tax returns for the last couple of years? Have you given them W2's paychex does, verification of employment, have you given them? All of these things are very necessary if you come to us, so we've had this happen. They said, well, no, I. I did give him anything except just a phone conversation. I said, Oh, and he gave you a preapproval letter it \$850,000 after a phone conversation. Well, yeah, he. He emailed it to me about 10 minutes later. Here's the problem. There could be ghost entries on your credit report. There could be things on your credit report you were unaware of. It could be identity. Fifth problems.

Connor MacIvor: [05:29](#) There could be you think your fico score is this and it's not. There could be stuff there that's going to inhibit your ability to purchase real estate and obtaining a loan for said real estate. A lot of that happens too often, and when a lender isn't doing their due diligence, running you all the way through the machine, putting in all these documents, your tax returns, all of the other items that are required to really approve you. Well, if they don't do that, then we really don't know. And unfortunately some buyers kind of hinting here at a third one third of these properties not making it. Sometimes those buyers, they, uh, find out too late and it's a real pain because they've already spent money of their own. They've paid for an appraiser, they've paid for a home inspector, not to mention the seller fall out.

Connor MacIvor: [06:18](#) The sellers have now wasted time waiting for this buyer. So everybody needs to do their job and they should do it professionally and they should do it correctly all the way through. Let's talk a little bit about the foreclosures. We do have something interesting here in foreclosures, whenever they talk about it, real estate market, they do talk about foreclosures having returned to normal levels. When the foreclosures make up one percent of the real estate market, we see that's about 551 current bank going short sale reo type foreclosure properties here. You can click on this and of course in of these all day long and you'll be able to see them for all of the southern California. Let's say Santa Clarita is your deal. You have to do is click here and Santa Clara, it'll show you what foreclosures we have locally and of course anywhere else so you can feel free to check those out as well.

Connor MacIvor: [07:06](#) So here are the rest of the real estate inventory in Santa creative value where it's 6:17, like stated, and here's the breakdown of the local cities as well. So please, when you are ready, have a look through all the systems and all the real estate listings here. You'll be very happy. So let's go ahead and get over to our blog. We're going to talk a little bit about closing costs because this is something that continues to come up and it came up here this last week and I'll be adding today's broadcast in this position here after it gets completed and you can always tune in and find out what's going on in Santa Clarita Valley real estate here@ourblogatubnest.com, forward slash blogger. Just go there and click on the blog button. Our radio show, past episodes. They're all right here. Let's talk about closing costs whenever a real estate buyer is buying real estate.

Connor MacIvor: [07:54](#) And this is something that really caused me a little bit of an elite, gave me some something to be alarmed about last week

when we have these clients coming into our office and we weren't their first real estate agent choice. However we do. Uh, we were the second. So we're very, very happy with that. So anyway, they come into the office, we sit down and we start to talk about financing and they were ones that did get full lender approval and after they got full lender approval, the lender was explaining to them that, you know, you're going to be able to purchase this house as your down payment, so on. So when they came into my office, you know, and I don't want to strip them away from their lender sound like their lender was doing a great job. And then I said, okay, so then what are you guys thinking about closing costs?

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How are those going to be paid? And they said, closing costs. I said, yes, these are on top of the sticker price or the purchase price of the residents. So the house is \$300,000. Closing costs are going to be on top of that number. They said, well what are they? Oh okay, so you don't know. So let me explain. So first part of closing costs, you're a part of escrow, and that's going of course depend on the listing price. So there's not a lot of flex there. There are some escrow companies that might be out at a discount their services a little bit, but most of it's all the same, straight across the board. Same thing with title insurance. You're going to pay your part, your part of escrow, you're part of title insurance is insurance. Those two things are closing costs for a real estate buyer and then you're gonna pay your lender.

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Your lender is going to charge you a fee to originate the loan and they say they're not going to charge you a fee. Definitely get that stuff in writing because that's almost nonexistent in the lending world, but again, man could be true, but bottom line is those are the three things. Title, you're part of title insurance, you're part of escrow and your lenders fee and how much is that? Well, sometimes one point or one percent for each. That could be three percent easy numbers. We're going to look at a \$300,000 piece of property. That'd be \$3,000 each or \$9,000 total and closing costs. Now, of course the lender, when you ask the lender, and we we do that when we get in the process, what exactly the closing costs going to be on a three house, \$300,000 purchased by Mr and Mrs Abuela and they're doing a an Fha loan.

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They might say, you know what, they're going to be \$8,200, so they're going to be \$9,600 where they're going to be, so it does fluctuate up and down just a little bit, but it depends on the loan, depends on all sorts of items, but just rule of thumb, about three percent total for closing costs for real estate buyer. Now, how does that get paid? You do it a lot of different ways.

You can pay cash and that cash anymore, but you can at least do a check cashier's check and check. Money can wire money into escrow. You can also put it on a credit card potentially and finance it. The problem, not really problem, but for financing it, you might think, well, that sounds simple. Let's do it that way. Unfortunately, a seller might not agree. A seller might say, you know what, I'm unfortunately, my house is \$300,000.

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I don't think it's going to appraise for 309, so if I'm going to loan you that extra money or agree to a higher listing, price me only netting 300 and giving you that extra \$9,000 in a loan. So those closing costs are taken care of. What if the appraiser comes in and says, you know what? It's worth 300 but not 309 could happen. So that would be something that the seller might not agree with and if that's the case and the cylinders, right? But he agrees with it. Anyway. As you guys get into escrow and the appraiser gets appraisal, it gets ordered and completed and that's ordered by your lender. Then what's going to end up happening is that appraiser could come back and say, nope, 300,000 is the I can qualify or appraise this home for. So then what happens? Well, the seller either agrees and lowers the kicks out.

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It says basically we're not going to be paying closing costs for the buyer, or the buyer says, well, Gosh, I can't buy your house unless I need closing costs and the deal falls apart. I may be one of those 33 percent. Maybe that was the reason. Bottom line is you can also negotiate that up and down in various ways. Maybe \$300,000 might be a little too high for the property by nine grant. Maybe you could offer them \$300,000 for the seller to pay your closing costs, netting the seller to 91, so there's ways to split it up and down on. Of course, the cleanest way in real estate seller's market where there's a lot of competition would be the buyer taking care of their own closing costs, paying that some other way besides asking the seller to contribute or allow it to be put on a loan.

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That's the cleanest way and that's of course in a seller's market. As the market morphs and shifts into more of a buyer's market, then a lot of times we start seeing closing costs being offered and picked up by sellers at least partially so that's something to be aware of, but those are closing costs and again, silvers have closing costs, two cylinders have, they're part of escrow fees, they're part of title fees, and then you got agent commission. The lender part of it on the sale of the house isn't part of the deal for the seller, for the homeowner, they're not responsible for that. Knowing is super important. Real estate, you need to know what's going on when it comes to real estate and how the

process works. That's why we always have people come in and they'll get into and talk about our crash course on real estate and when we do, we have people come into our office and we really explained and cover the entire real estate process just so people know buyers or sellers and they have a total understanding of how the market works, what's going on, and we talk about lenders and lending, communication, searching online resources.

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When we get down to impersonate viewing compson, offering counters and acceptance, the opening of escrow escrow process, inspection amounts, appraisal amounts, requests for a parish credit responses, closing possessions, bunch of stuff. It is good and it does help our real estate buyers make good decisions when it comes to purchasing residential real estate. That is through our crash course on real estate. When you are ready to purchase or sell, we have one for both parties. We would love to be there for you and help you throughout the entire process. I am connor macgyver SCV nest.com. We're going to have this video placed on our youtube channel, CV moves, youtube.com, forward slash SCV mood. Should be able to see all the videos. This will be our November 26th update, 2018, and I hope you have a fantastic rest of your weekend or Monday so it's hard to tell, but make it the best possible and if you're depending on other people to make your week great, don't depend on yourself. It all works out better that way. I'm Connor Mc Iv. When you're ready to reach out, we will be there for you. Have a great day and thanks for listening to housing radio. Be Safe. We'll talk to you soon.