

YOUR COMPLETE SAN FERNANDO VALLEY HOME BUYER'S GUIDE

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*From Pre-Approval to
Keys in Hand—and
Beyond*

Financial Readiness

Competitive Offers

Smooth Closings

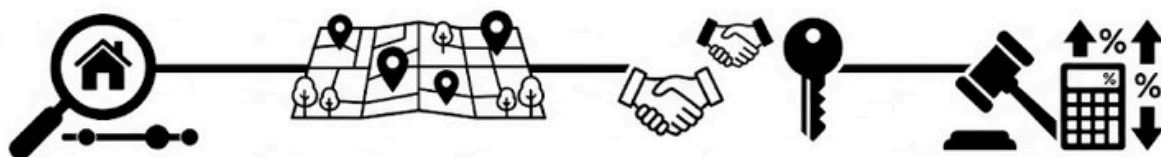
Serving Woodland Hills • Encino • Sherman Oaks • Studio City • Northridge • Granada Hills • Chatsworth • Reseda • Van Nuys • Burbank • Glendale • And All SFV Communities

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01 | Financial Readiness & Pre-Approval

Your financial foundation determines every decision that follows—your search price range, neighborhood options, offer competitiveness, and negotiating power. In the San Fernando Valley, where median home prices typically range from \$650,000 in the East Valley to over \$1.4 million in Encino and Woodland Hills, getting your finances dialed in before you tour a single home is non-negotiable.



Step 1: Know Where You Stand Before You Start

Pull all three credit reports (Equifax, Experian, TransUnion) at AnnualCreditReport.com. You want a minimum FICO score of 620 for FHA and 640–680 for conventional loans, though the best rates require 740+. Dispute any errors immediately—corrections can take 30–60 days.

Credit Score Range	Loan Access & Rate Impact
Below 620	FHA may be possible with 10% down; limited lender options
620–679	FHA with 3.5% down (720+ co-borrower helps); higher rates
680–739	Conventional accessible; moderate rates
740+	Best conventional rates; all loan programs available
760+	Elite pricing; jumbo loans more accessible—critical for SFV luxury

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Step 2: Understand Your True Budget

Lenders use two debt-to-income ratios. Your front-end ratio (housing costs only) should stay at or below 28% of gross monthly income. Your back-end ratio (all monthly debt obligations) should stay at or below 43% for conventional loans, though FHA allows up to 50% with compensating factors.

SFV BUDGET EXAMPLE — \$950,000 Purchase Price

Gross Household Income Required: ~\$180,000–\$220,000/year

Down Payment (10%): \$95,000 + Closing Costs (~\$19,000–28,500): Total Cash Needed ~\$114,000–\$123,500

Est. Monthly PITI (Principal, Interest, Taxes, Insurance): ~\$5,800–\$6,400 at 7% rate

HOA (if applicable, Woodland Hills/West Valley condos): add \$300–\$700/month

Note: SFV property tax rate is approximately 1.25% of assessed value annually

Step 3: Down Payment Strategy

The SFV market rewards buyers who can demonstrate financial strength. Here's what each down payment tier gets you:

Down Payment	Loan Type	Market Position
3–5%	FHA / Conv. Low-Down	Competitive but may lose to stronger offers; PMI required
10%	Standard Conventional	Good footing; moderate PMI
20%	No PMI Threshold	Removes PMI; significantly stronger offer position
25%+	Jumbo Preferred	Required by many jumbo lenders; very strong in multiple-offer situations



SFV PRO TIP: In competitive SFV bidding wars, sellers and listing agents do read your pre-approval letter carefully. A letter from a local, reputable lender (not an online-only bank) carries more weight than a letter from a national call-center lender. Ask your agent for vetted lender referrals.

01 | Financial Readiness & Pre-Approval

Step 4: Get Pre-Approved (Not Pre-Qualified)

Pre-qualification is an informal estimate. Pre-approval means a lender has verified your income, assets, employment, and credit—and issued a conditional commitment. In the SFV's competitive market, sellers will not consider an offer without a legitimate pre-approval letter.

☒	Documents Required for Pre-Approval
☐	W-2s for the past two years (or 2 years of tax returns if self-employed)
☐	Recent 30-day pay stubs (all income sources)
☐	Two months of bank statements (all accounts)
☐	Investment/retirement account statements
☐	Government-issued photo ID
☐	Social Security number for credit pull authorization
☐	Documentation of any gift funds (gift letter + transfer records)
☐	Explanation letters for any credit inquiries, gaps, or derogatory marks
☐	HOA documents if buying a condo or PUD

Step 5: Understand All Closing Costs

California buyers typically pay 2–3% of the purchase price in closing costs in addition to their down payment. In the SFV, budget accordingly:

Cost Item	Typical Range
Loan Origination Fee	0.5–1% of loan amount
Appraisal	\$600–\$1,200 (jumbo loans higher)
Title Insurance & Escrow	\$2,500–5,500 depending on price
Property Tax Proration	Varies by close date
Homeowners Insurance (1st year)	\$1,200–2,500
Home Warranty (optional)	\$500–\$700
Recording Fees	\$100–\$250
Transfer Tax (if applicable)	Buyer rarely pays in SFV—negotiable
HOA Transfer Fee	\$200–\$500 in HOA communities



SFV PRO TIP: Many SFV sellers will credit buyers for closing costs in a slower market or on homes with longer days on market. Never assume you must pay all costs out of pocket—your agent can negotiate a seller credit as part of your offer.

01 | Financial Readiness & Pre-Approval

Step 6: Understand HOA Dues (Condos, Townhomes & Planned Communities)

If you're buying a condo, townhome, or a home in a planned community, HOA (Homeowners Association) dues are a real, ongoing cost that factors directly into your monthly budget and your lender's qualifying ratios. In the SFV, HOA dues typically range from about \$90 to \$900+ per month depending on the building, its age, and the amenities and services covered. Most townhomes and condos across the Valley run \$400–800 per month.

Property Type	Typical Monthly HOA
Small townhome community, few shared amenities	\$90 – \$250
Standard condo, limited amenities	\$300 – \$500
Condo/townhome with pool, gym, or gated grounds	\$400 – \$800
Luxury or high-amenity building/community	\$700 – \$900+

What HOA dues often cover: Depending on the community, monthly dues can include water, trash pickup, exterior building insurance, common area maintenance, landscaping, and sometimes gas, roof upkeep, earthquake insurance on the structure, security or gated access, and amenity upkeep (pool, spa, gym, clubhouse). Coverage varies widely by association — always confirm exactly what's included before you budget your total monthly housing cost.



SFV PRO TIP: Request the HOA's current budget, reserve study, CC&Rs, and meeting minutes during your investigation contingency period. Look for underfunded reserves, pending special assessments, or litigation — any of these can mean a lower dues number today but a large bill down the road.

02

Building Your Real Estate Team

Buying a home is a team sport. The professionals you choose will directly impact the price you pay, the home you find, and how smoothly your transaction closes. In the San Fernando Valley, local expertise is irreplaceable—market conditions in Chatsworth differ dramatically from those in Studio City, and your team should know both.

Your Buyer's Agent: Your Most Important Hire

A buyer's agent is legally obligated to represent your interests exclusively. Under California law, your agent must disclose all material facts, maintain confidentiality, and act with undivided loyalty. Their compensation is typically paid by the seller's side, but this has evolved—always clarify how your agent is compensated upfront.

What to Look for in an SFV Buyer's Agent

- **Deep neighborhood fluency:** Can they walk you through micro-market conditions in Sherman Oaks vs. Van Nuys without looking anything up?
- **Transaction volume:** Look for agents who close 15–30+ transactions per year in the SFV—they have the relationships and pattern recognition that matter.
- **Offer-writing track record:** Ask specifically about their win rate in multiple-offer situations. Strong agents have strategies, not just instincts.
- **Network depth:** The best SFV deals often happen before they hit Zillow. Your agent's relationships with listing agents give you a real edge.
- **Communication style:** Confirm their availability, preferred communication method, and response time expectations upfront.



Questions to Ask Before Signing a Buyer Representation Agreement

1. How many buyers are you currently working with, and will I have your full attention?
2. What is your average list-to-close timeline in this price range?
3. How do you handle multiple-offer situations, and what strategies do you use to win?
4. Do you have access to off-market or coming-soon inventory in my target neighborhoods?
5. How are you compensated, and what does the buyer representation agreement commit me to?

Your Lender: The Engine of Your Purchase

Your lender is more than a rate provider—they are a key part of your offer's credibility. SFV listing agents will call your lender to verify your pre-approval before recommending your offer to their seller. Choose a lender who answers their phone on weekends and can issue approval letters quickly.

- **Local mortgage brokers & credit unions:** Often offer better rates than big banks and have SFV market familiarity.
- **Jumbo loan specialists:** If buying above \$766,550 (the 2024 conforming limit for LA County), ensure your lender has robust jumbo products.
- **Communication speed:** In a fast-moving offer situation, you may need an updated pre-approval letter within 2 hours. Confirm this capability upfront.

Your Escrow & Title Company

In California, escrow is handled by a neutral third party—typically a title and escrow company—not an attorney. In the SFV, common and reputable companies include Fidelity National Title, Old Republic, and First American. Your agent will often have preferred escrow relationships that can facilitate smoother closings.

Your Home Inspector

Never waive a home inspection. Even in competitive markets, you can write a non-contingent offer while still conducting inspections—the key is timing and how you structure the contingency. Choose a certified inspector (ASHI or InterNACHI certified) who is familiar with SFV-specific concerns:

- **Seismic considerations:** SFV sits in earthquake country. Soft-story construction, cripple walls, and foundation anchoring matter.
- **Pool & spa systems:** A significant portion of SFV homes have pools; inspect equipment, decking, and plumbing separately.
- **HVAC:** Valley summers are brutal. A failing AC system is an immediate negotiation point.
- **Roof condition:** Older SFV neighborhoods (Reseda, Van Nuys, North Hills) often have original roofs approaching end of life.
- **Slope & hillside stability:** Homes in Woodland Hills, Chatsworth, and Granada Hills hills require careful grading and drainage review.

★
SFV PRO TIP: Build your team before you need them, not during the offer process. Your agent should provide vetted referrals for lenders, inspectors, and escrow officers before you write your first offer. Being able to call professionals who already know your deal saves critical time.

03 Defining Your Search Strategy

The most common mistake buyers make is starting the search without a clear strategy. Touring homes without defined priorities leads to decision fatigue, missed opportunities, and, ultimately, settling. In the SFV's fast-moving market, indecision is expensive.

The Priority Matrix: Needs vs. Wants vs. Deal-Breakers

Before touring a single home, complete this exercise with everyone in your household. Separate your criteria into three tiers:

NEEDS (Must Have)	WANTS (Nice to Have)	DEAL-BREAKERS (Walk Away)
Location / commute to work	Updated kitchen	Shared wall / no attached garage
Minimum bedrooms (non-negotiable)	Specific architectural style	Active fault line (Alquist-Priolo zone)
School district requirement	Pool or large yard	High-tension power lines nearby
Garage parking	Single-story layout	Commercial neighbors or noise
Maximum monthly payment	Natural light / orientation	Flood zone or fire hazard zone

SFV Neighborhood Guide: Know Before You Tour

The San Fernando Valley encompasses over 260 square miles and 34 distinct neighborhoods, each with its own character, price point, and lifestyle trade-offs. Here's a practical orientation:

Neighborhood	Average Median Sales Price (May 2026)	Key Characteristics
Porter Ranch	\$1,420,000	Newer master-planned communities, highly rated schools, gated neighborhoods, hillside views, proximity to The Vineyards shopping and dining
Reseda	\$775,000	More affordable Valley option, diverse community, ongoing revitalization, central location
North Hills	\$820,000	Family-oriented neighborhoods, commuter-friendly access, mix of classic and updated homes
West Hills	\$1,150,000	Quiet residential feel, strong schools, larger lots, proximity to hiking trails and Topanga access
Canoga Park	\$760,000	Growing arts and dining scene, value pricing, convenient West Valley location
Winnetka	\$845,000	Suburban atmosphere, family homes, balanced affordability and space
Lake Balboa	\$910,000	Popular park and recreation area, central Valley convenience, residential pockets
Van Nuys	\$790,000	Central location, strong commuter access, diverse housing options and redevelopment activity
Studio City	\$2,199,000	Entertainment industry hub, Ventura Blvd lifestyle, upscale dining, proximity to Hollywood
North Hollywood	\$960,000	Arts District energy, metro access, creative community, expanding mixed-use developments
San Fernando	\$735,000	Historic small-city character, strong community identity, more attainable home pricing
Tarzana	\$1,650,000	Luxury estates, Ventura Blvd shopping and dining, quieter upscale residential streets
Toluca Lake	\$2,350,000	Prestigious enclave, celebrity appeal, charming village atmosphere, luxury properties
Sylmar	\$820,000	Mountain views, larger lot opportunities, growing residential development
Panorama City	\$690,000	One of the Valley's more affordable markets, dense urban convenience, diverse community
Tujunga	\$870,000	Foothill setting, rustic character, quieter residential environment with nature access
Calabasas	\$2,850,000	Luxury gated communities, celebrity appeal, premium schools, upscale lifestyle amenities



SFV PRO TIP: Don't sleep on "border" neighborhoods. A home on the Sherman Oaks/Van Nuys boundary often carries Van Nuys pricing with Sherman Oaks schools and walkability. Your agent should know these lines precisely.

Public Schools: Checking LAUSD Boundaries

Most San Fernando Valley neighborhoods are served by the Los Angeles Unified School District (LAUSD), the nation's second-largest school district. Burbank and Glendale are notable exceptions, each served by their own independent district (Burbank Unified and Glendale Unified). Within LAUSD, school assignment is based on a home's specific attendance boundary — not its neighborhood name or zip code — so two homes a block apart can be zoned for entirely different elementary, middle, and high schools.

- **Boundaries are hyper-local:** Verify the exact address — don't assume a home's assigned school based on neighborhood reputation alone.
- **Boundaries shift:** Attendance boundaries can and do change over time, so confirm current assignment before writing an offer, not after close of escrow.
- **Permits & magnets:** Some sought-after schools offer permits or magnet programs that allow enrollment outside the home attendance boundary — ask your agent or the school directly about availability.



SFV PRO TIP: Before writing an offer on any home, use the LAUSD Resident School Finder at lausd.net (search "Find Your School" or "Resident School Finder") and enter the property address to confirm the assigned elementary, middle, and high school. It takes two minutes and prevents a very expensive surprise after close of escrow.

Setting Realistic Timeline Expectations

The SFV market moves at different speeds depending on season, interest rates, and inventory levels. Here is a general timeline framework:



Phase	Typical Duration
Pre-Approval & Team Assembly	1–2 weeks
Active Home Search (offers made)	2–12 weeks (varies dramatically by budget & criteria)
Accepted Offer to Close	30–45 days (standard escrow)
Total Timeline: First Conversation to Keys	2–6 months (plan for 4 months on average)



Tools & Habits

Set up auto-alerts on the MLS (via your agent), Zillow, Redfin, and Realtor.com for your criteria—new listings in competitive SFV areas go into offer situations within days.

Check listings every morning. The best homes often generate 10–20+ offers within 7–10 days of hitting the market.

Drive your target neighborhoods on weekends. “For Sale by Owner” signs, coming-soon signs, and pocket listings are often discovered this way.

Ask your agent to proactively contact listing agents in your target neighborhoods—“we have a qualified buyer in the \$X range looking in your area.” This generates off-market opportunities.

04 Mastering the Property Search

Efficient home touring is a skill. In the SFV market, buyers who tour strategically—knowing exactly what to look for and how to evaluate quickly—make better decisions and avoid costly mistakes that come from emotional or impulsive choices.

How to Tour Like a Professional

Limit tours to 4–6 homes per day maximum. Beyond that, homes blur together and decision quality drops sharply. For each home you tour, assess the following:



Structural & Systems Assessment

- **Foundation & grade:** Look for cracks wider than a hairline, doors or windows that stick, floors that bounce or slope.
- **Roof:** Ask listing agent for age and any available roof report. SFV homes with roofs over 20 years old may need immediate replacement (\$15,000–\$30,000).
- **Electrical panel:** FPE Stab-Lok and Zinsco panels are fire hazards and uninsurable in some cases. Know what to look for.
- **Plumbing:** Galvanized pipes in pre-1970s homes are a hidden cost; ask about repiping.
- **HVAC:** Run the AC during tours in summer months. Valley heat is relentless—a failing system is a major negotiation point.



Location & Lot Factors

- **Traffic and noise:** Visit at multiple times of day, especially rush hour. Proximity to the 101, 405, 118, and 5 freeways creates noise corridors many buyers underestimate.
- **Sun orientation:** South-facing backyards maximize usability in the SFV's sunny climate. West-facing living rooms can be unbearably hot in the afternoon.
- **Slope & drainage:** Hillside homes require drainage inspection. Look for evidence of mudslide or erosion on the slope above the property.
- **Lot access & easements:** In older SFV neighborhoods, shared driveways and easements are more common than buyers expect. Pull a preliminary title report early.

Red Flags That Signal Expensive Problems

- Fresh paint on ceilings or in only one room (covering water damage)
- New flooring in isolated areas (covering damaged subfloor or previous leak)
- Musty or chemical smell (mold remediation that was not disclosed)
- Overly lush landscaping with no visible irrigation system (potential plumbing leak)
- Seller-installed additions without permits (especially ADUs—very common in SFV)
- Mismatched grout or tile repairs in bathrooms without a disclosure explanation



SFV PRO TIP: Ask your agent to pull the permit history for any home you're serious about. Unpermitted work in the SFV is extremely common—especially garage conversions and ADUs. Unpermitted square footage cannot be counted by the appraiser and creates insurance and re-sale liability.

04 Mastering the Property Search

Solar Panels: Owned, Financed, or Leased?

Solar panels are common on SFV roofs, but how the system is owned matters enormously to your purchase. Before you fall for a home with solar, find out which situation applies:

- **Owned outright (no liens):** The panels convey with the home like any other fixture, at no extra cost, and typically add value. Confirm this in writing in the seller disclosures.
- **Solar loan (PACE, HERO, or a personal solar loan):** A PACE/HERO assessment stays attached to the property tax bill and transfers with the home; a personal solar loan is generally the seller's obligation to pay off at closing. PACE/HERO balances can affect financing on certain loan types — loop in your lender early.
- **Leased or Power Purchase Agreement (PPA):** You'd be taking over the seller's monthly payments to the solar company, not buying the panels. Lenders and appraisers treat this differently than owned solar, and assuming the agreement requires a credit application and approval from the solar company — which can add real time to escrow.

Your options with a leased or PPA system:

- **Assume the lease/PPA:** Take over the remaining term and payments — qualify with the solar company and understand exactly what you're signing up for.
- **Ask the seller to buy it out:** Negotiate for the seller to pay off or buy out the lease before or at closing, so the panels convey owned, free and clear.
- **Ask for removal:** Request the panels be removed before close — rare, and can be costly or risk roof damage, so weigh this carefully.



SFV PRO TIP: Get the solar agreement — lease, PPA, or loan document — in the first week of escrow and actually read it, don't skim it. Confirm which option works for you before removing contingencies.

Check out our video covering owner-owned panels, lease assumptions, and buyer options:

[Watch Featured Video](#) 



04 Mastering the Property Search

Understanding the Seller's Disclosures

California has some of the most robust disclosure requirements in the nation. Here is what you will receive and what to look for:

Document	What It Covers
Transfer Disclosure Statement (TDS)	Seller's known defects, conditions, and material facts about the property
Seller Property Questionnaire (SPQ)	Detailed questions about systems, disputes, insurance claims, and history
Natural Hazard Disclosure (NHD)	Flood, fire, earthquake, and seismic hazard zone disclosures
Preliminary Title Report	Liens, easements, CC&Rs, and ownership history
HOA Documents (if applicable)	Financials, CC&Rs, rules, pending litigation, and special assessments
Megan's Law Disclosure	Acknowledges buyer can search the state sex offender registry
Earthquake Retrofit (if performed)	Documentation of any seismic improvements made to the structure

Review every disclosure document carefully—your agent should walk you through each one and flag anything unusual. You have 17 days (standard) after acceptance to complete your investigation contingency period.

Making Go / No-Go Decisions Efficiently

After touring, rate each home on a 1–10 scale across three dimensions: location, condition, and value. Any home scoring 7+ in all three deserves deeper evaluation. This simple framework prevents emotional attachment from overriding financial logic, and helps you move decisively when the right home appears.

05 Making Competitive Offers in the SFV Market

Writing and winning offers is where strategy separates great agents from average ones. In the San Fernando Valley, well-priced homes regularly attract 5–15 offers, sometimes more. Here is how to position yourself to win without overpaying or taking on unnecessary risk.

Understanding Market Context Before You Write

Before writing any offer, your agent should pull the last 90 days of comparable sales (comps) in a 0.5–1 mile radius, in a similar square footage and condition range. Key metrics to understand:

Metric	What It Tells You
Days on Market (DOM)	Under 7 days = hot; over 30 = cooling; over 60 = opportunities for negotiation
List-to-Sale Price Ratio	Over 100% = overbid market; under 97% = buyer has leverage
Active Inventory	Under 2 months of supply = seller's market; over 4 months = buyer's market
Number of Offers Received	Ask listing agent directly—many will tell you in broad strokes
Expired or Relisted Listings	Indicate overpricing or condition issues; create negotiation leverage

The Anatomy of a Strong Offer

A competitive SFV offer is more than a number. Every term in the California Residential Purchase Agreement (RPA) is a negotiating variable. Here is how to use them:

Price Strategy

- On-market homes with offers due: Your agent should advise on escalation or a fixed best-and-final price based on comp analysis. In hot SFV markets, 2–5% over list is common for move-in-ready homes.
- Homes sitting on market: Start at or below list and negotiate. Sellers of stale listings are often more motivated than they initially appear.
- Escalation clauses: Can be effective but signal your ceiling. Use strategically when the listing agent confirms other offers are expected.

Earnest Money Deposit (EMD)

The standard EMD in California is 1–3% of the purchase price. In competitive situations, offering 3% EMD (or higher) signals commitment and is often held in escrow immediately—strengthening your offer without changing your price. The EMD is fully refundable during the contingency period.

Contingencies: The Real Negotiation

Contingencies protect you but make your offer weaker in a multiple-offer situation. Here is how to balance protection with competitiveness:

Contingency	Standard Timeline	Strategy Guidance
Loan Contingency	Standard 21 days	Protects you if financing falls through; remove only with strong pre-approval and lender confirmation
Appraisal Contingency	Standard 17 days	Protects you if home appraises below offer price; can offer to cover gap up to a specified amount to strengthen offer
Investigation (Inspection)	Standard 17 days	Non-negotiable—always keep; can shorten to 10 days to signal confidence with clean pre-inspected homes
Title Contingency	Standard 17 days	Always keep; title defects are rare but costly
HOA Document Review	5 days (if applicable)	Required for condos and HOA communities; keep it short if documents are available upfront



SFV PRO TIP: Never waive your inspection contingency entirely without a compelling reason. Instead, conduct a pre-inspection before writing your offer if the seller allows it, then write your offer non-contingent on inspection. This gives you information and gives sellers confidence—without sacrificing your protection.

Close of Escrow (COE) Timeline

Sellers in the SFV often have strong preferences on close date. A 30-day escrow is standard, but offering the seller's preferred timeline (or a rent-back after close) can win a deal even when your price is not the highest.

- Sellers downsizing often want 60-day escrow to find their next home.
- Sellers relocating for work may want a fast 21-day close.
- Rent-back offers (letting seller remain in the home for up to 60 days after close) are powerful tools in slow-inventory markets.

The Offer Package: Presentation Matters

In a competitive market, how your offer is presented is as important as the terms. Your agent should submit:

1. Fully completed and signed California RPA (no blanks)
2. Pre-approval letter dated within the last 30 days from a reputable local lender
3. Proof of funds for down payment and closing costs (bank statement screenshot with account number redacted)
4. Agent cover letter summarizing key offer terms and why you are a strong buyer

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After You Submit: The Counter-Offer Process

Sellers may counter your offer on price, terms, or both. Common SFV counter-offer scenarios:

- Multiple Counter Offer (MCO): Seller counters several buyers simultaneously. You must sign back within the deadline or your offer lapses. Respond promptly and decisively—hesitation often loses the deal.
- Single Counter Offer: Seller focuses on your offer. This is a positive signal—they see you as their likely buyer. Negotiate respectfully and close the gap.
- Request for Best and Final: Common in highest-and-best situations. Submit your true best terms; sellers and their agents rarely invite a second round.

06 Navigating Inspections & Contingencies

Once your offer is accepted and you open escrow, you enter the inspection and contingency period—the most critical phase of the transaction. This is your legally protected window to investigate every aspect of the property and either negotiate repairs/credits or exit the contract with your deposit intact.

The Inspection Roadmap

Schedule your general home inspection within the first 3 days of opening escrow. From there, specialized inspections follow based on what the general inspector flags:

☑	Inspection Checklist
☐	General Home Inspection (ASHI/InterNACHI certified inspector): Schedule within 72 hours of acceptance
☐	Wood Destroying Pest: \$100-\$150
☐	Roof Inspection: If roof age or condition is uncertain; \$150-\$400
☐	Sewer Scope / Drain Inspection: Recommended for all homes over 30 years old; \$150-\$350
☐	Chimney Inspection: If home has a fireplace; \$200-\$400
☐	Pool & Spa Inspection: If property has a pool; \$150-\$300
☐	Structural/Foundation Engineer: If inspector flags concerns; \$400-\$900
☐	HVAC Service & Inspection: Essential for SFV summers; \$80-\$200
☐	Mold/Air Quality Testing: If water damage or musty odors noted; \$300-\$600
☐	Survey/Boundary Inspection: If lot lines are unclear or there are neighbor disputes



Reading Your Inspection Report

Every inspection report will list items. Not all items are equal. Categorize them:

Category	Priority	Examples
Safety Hazards	Immediate action required	Exposed wiring, gas leaks, non-functional smoke/CO detectors, structural instability
Major Defects	Significant repair cost likely	Roof failure, HVAC replacement, foundation issues, main sewer line damage
Deferred Maintenance	Plan for within 1–2 years	Old water heater, aging appliances, weathered paint, minor drainage issues
Cosmetic Issues	Address at your preference	Scuffs, minor cracks, dated fixtures—do not include in repair requests



SFV PRO TIP: Only request repair or credit for Safety Hazards and Major Defects. Sending a repair request that includes 40 cosmetic items will frustrate the seller, signal that you are not a sophisticated buyer, and often results in a dead transaction. Focus your requests on the 3–5 items that matter most.

06 Navigating Inspections & Contingencies

Negotiating Repairs vs. Credits

You have two primary options when material defects are found:

- **Request repairs:** Seller hires contractors and completes work before close. Upside: issue is resolved. Downside: you have limited control over quality and vendor selection. Best for sellers who are motivated and have time.
- **Request a credit:** Seller reduces the purchase price or provides a closing cost credit. You handle repairs after close with your own vendors. Best for most situations—gives you control and flexibility.

Credits in California can be structured as a reduction to purchase price (lowers your loan amount) or as a seller-paid closing cost credit (saves cash at close). Your lender must approve the credit structure—confirm limits with them before requesting.

Removing or Canceling Contingencies

Contingencies are removed in writing using the California Association of Realtors Contingency Removal form. Do not remove a contingency verbally or casually. Once you sign a contingency removal:

- Your earnest money deposit is at risk if you cancel for that reason.
- The seller may pursue liquidated damages (typically the EMD amount) if you cancel without a remaining contingency.
- Standard practice is to remove contingencies one at a time as each investigation is complete.



IF SOMETHING MAJOR IS DISCOVERED

You have three options: (1) Accept the home as-is and proceed, (2) Negotiate a credit or repair before removing your contingency, or (3) Cancel the contract and receive your full deposit back—as long as you are still within the contingency period.

Do NOT wait until the last day of your contingency period to make this decision. Sellers' agents will notice if you go silent near deadline and may attempt to declare you in default.

Always communicate through your agent in writing. Text messages and emails are documentation.

➤ Fire Zone Insurance Tips

Wildfire risk can impact insurance availability, pricing, and coverage in parts of the San Fernando Valley.

What Buyers Should Know

Some insurance carriers may:

- Increase premiums
- Limit wildfire coverage
- Decline coverage or renewals
- Require additional inspections

Hillside, canyon, and brush-adjacent properties may face stricter insurance requirements.

➤ California FAIR Plan

The California FAIR Plan is a backup insurance option for homes that may not qualify for traditional fire coverage.

Important to know:

- Typically provides basic fire coverage only
- Often paired with supplemental coverage
- Costs may be higher than standard policies

Before Making an Offer

Buyers should:

- Request insurance quotes early
- Confirm wildfire coverage availability
- Review deductibles and replacement costs
- Check property claims history

Insurance availability can affect loan approval and monthly ownership costs.



Wildfire Disclosures & Risk Reduction

Buyers may receive Natural Hazard Disclosure (NHD) reports and fire zone disclosures during escrow.

Homeowners can help reduce wildfire risk by:



Planning ahead can help buyers avoid delays and make more informed purchasing decisions.

07 The Escrow & Closing Process

Once contingencies are removed, you are in the home stretch. Escrow in California is managed by a neutral third-party company—your job is to stay responsive, fund on time, and avoid any changes to your financial profile before closing.

The 30-Day Escrow Timeline

Timeline	Key Activities
Days 1–5	Open escrow, deliver EMD, receive and review all disclosures, order inspections
Days 3–10	Complete all inspections, review preliminary title report, review HOA docs if applicable
Days 7–14	Submit repair requests if needed; negotiate resolution; remove investigation contingency
Days 14–21	Lender orders appraisal; underwriting proceeds; remove appraisal contingency if applicable
Days 21–28	Loan approval (clear to close); remove loan contingency; receive closing disclosure
Days 28–30	Final walkthrough; sign loan documents; wire funds to escrow; record deed
Day 30 (Close)	Deed records; you receive keys; possession transfers (unless rent-back agreed)



> The Final Walk-Through

Schedule your final walkthrough 24–48 hours before closing. This is not a second inspection—it is a verification that:

- The home is in substantially the same condition as when you wrote your offer
- All agreed-upon repairs have been completed (request receipts and permits if applicable)
- All included personal property (appliances, fixtures specified in the contract) are present
- The seller has vacated and removed all personal belongings
- Utilities are still on and functional



SFV PRO TIP: If repairs were promised but not completed, or if damage has occurred since your inspection, do not close until the issue is resolved. Your agent can negotiate a holdback (seller funds held in escrow to cover repair cost) as a solution that allows closing to proceed.

> CRITICAL: Protect Your Financing Through Closing

Lenders re-verify your financial profile immediately before funding. These actions between offer acceptance and closing can kill your loan:

DO NOT DO ANY OF THESE BEFORE CLOSING

- ✗ Apply for any new credit card, auto loan, or personal loan
- ✗ Make any large deposits or withdrawals without documentation
- ✗ Change or quit your job / go from salaried to contract
- ✗ Co-sign any loan for another person
- ✗ Purchase furniture, appliances, or anything else on credit
- ✗ Miss any bill payment (even a small one affects credit score)
- ✗ Transfer large sums between bank accounts without a paper trail



➤ Signing Your Loan Documents

You will sign your loan documents 1–2 days before closing, either at the escrow office or via a mobile notary. The package is typically 150–200 pages. Key documents to review carefully:

- Closing Disclosure: Final, itemized breakdown of all costs. Compare it to your Loan Estimate from early in the process—lenders are legally required to keep most fees within tolerance.
- Promissory Note: Your legal promise to repay the loan. Confirm the rate, term, and payment amount match what was agreed.
- Deed of Trust: The security instrument that gives the lender a lien on your property. Confirm the property address and your vesting (how you will hold title).

➤ How to Hold Title in California

How you take title affects your legal rights, taxes, and estate planning. Discuss with an attorney or your escrow officer:

Vesting Type	Key Characteristics
Sole Ownership	Single buyer; full ownership and control
Joint Tenancy	Two or more buyers with right of survivorship; equal shares
Tenancy in Common	Two or more buyers with unequal shares possible; no right of survivorship
Community Property (married couples)	Equal ownership; tax advantages on death
Community Property with Right of Survivorship	Best of both—tax advantages and survivorship; most popular for married couples
Living Trust	Avoids probate; common for estate planning; discuss with an attorney

➤ Funding & Recording

Once you sign loan documents, your lender wires funds to escrow. Escrow then wires all funds to the appropriate parties (seller, paying off existing liens, etc.) and submits the deed to the Los Angeles County Recorder. Once recorded, the home is legally yours. In California, you receive keys at recording—typically by mid-afternoon on closing day.

08 Moving In & First-Year

Congratulations—you own your home. Now the work of becoming a confident, financially smart homeowner begins. The first year sets the foundation for everything that follows.

The First 30 Days: Critical Tasks

☑	First 30 Days Priority Checklist
☐	Change all locks and recode garage door openers immediately
☐	Set up utilities in your name (LADWP or Southern California Edison, SoCalGas, water if separate)
☐	Forward your mail and update your address with USPS, banks, DMV, and employer
☐	Locate and document shutoffs: main water valve, gas shutoff, electrical panel
☐	Purchase or review your homeowners insurance policy; confirm adequate dwelling coverage
☐	Register your home with LA County Assessor if any exemptions apply (Homeowners' Exemption: saves ~\$70/year; Disabled Veteran's Exemption available)
☐	Set up a dedicated home file (physical or digital) for your deed, title policy, inspection reports, warranties, and receipts
☐	Introduce yourself to immediate neighbors—community relationships are your best early warning system
☐	Schedule any deferred maintenance or repairs identified during inspection
☐	Identify your HOA management company and review rules if applicable

California Homestead Declaration

California automatically provides a homestead exemption of \$300,000–\$600,000 (depending on county median home price) for a primary residence. This protects that equity from most unsecured creditors. Filing a Declared Homestead (available through the LA County Recorder) provides additional protection and is recommended for most homeowners. Cost: nominal filing fee.

Property Tax Management

Your first property tax bill from Los Angeles County will arrive approximately 60–90 days after closing, and covers taxes retroactively to the date of purchase. Key facts:

- California property taxes are assessed at approximately 1.1–1.3% of the purchase price (varies by mello-roos and special assessments in your area).

Ownership

- Property taxes are paid semi-annually: 1st installment due November 1 (delinquent December 10); 2nd installment due February 1 (delinquent April 10).
- Proposition 13 limits annual assessed value increases to 2% per year—your taxes remain stable even as your home appreciates.
- If your property taxes are impounded (paid through your mortgage), confirm with your lender that the escrow account is funded correctly to avoid a payment shortage.



SFV PRO TIP: Sign up for the LA County Assessor's e-notifications at assessor.lacounty.gov. You'll receive alerts about assessment changes, supplemental bills, and important deadlines—saving you from surprises.

Understanding Supplemental Tax Bills

When you buy a home, LA County reassesses it to reflect your new purchase price — which is usually higher than the seller's prior assessed value. Your regular annual tax bill for that year was calculated using the seller's old, lower assessment, so the county issues a one-time supplemental tax bill to collect the difference for the remaining months in the fiscal year. This bill is separate from, and in addition to, your regular annual property tax bill, and it often catches new buyers by surprise if no one warned them to expect it.

- **How it's calculated:** The supplemental bill covers the gap between the seller's old assessed value and your new purchase-price assessment, prorated for the months remaining in the fiscal year (July 1–June 30).
- **Close between January and May?** You may receive two supplemental bills instead of one, covering the current fiscal year and the next.
- **It won't come through your mortgage escrow:** Supplemental bills are mailed directly to you, not your lender, even if your regular property taxes are impounded through your mortgage. Budget for it as a separate, one-time expense.



SFV PRO TIP: The LA County Assessor's office (assessor.lacounty.gov) offers a Supplemental Tax Estimator. Run your numbers before or right after closing so the supplemental bill — which can run into the thousands on an SFV purchase — doesn't catch you off guard.

Ownership



Building Your Home Maintenance Budget

The standard rule: budget 1–2% of your home's purchase price per year for maintenance and repairs. On a \$900,000 SFV home, that is \$9,000–18,000 per year. Build this reserve before you need it:

Seasonal SFV Maintenance Calendar

Season	Key Maintenance Tasks
Spring (March–May)	HVAC service & filter replacement, irrigation system activation, roof inspection after winter rains, termite inspection
Summer (June–August)	Pool maintenance peak, fire brush clearance (required in Very High Fire Hazard Severity Zones), check attic ventilation
Fall (September–November)	Gutter cleaning, irrigation winterization, chimney sweep before fireplace season, weatherstripping check
Winter (December–February)	Water heater flush, check for roof leaks during rain events, re-inspect slope drainage on hillside properties

Maximizing Your SFV Investment

Your home is likely your largest financial asset. Here is how to protect and grow it:

- **ADU potential:** Los Angeles's ADU-friendly regulations make SFV properties with large lots or garages ideal candidates for accessory dwelling units—a significant value-add and income opportunity.
- **Proposition 19 (2021):** If you or a family member is 55+, severely disabled, or a disaster victim, you may transfer your low property tax base to a replacement home anywhere in California. This is a major benefit for SFV homeowners.
- **Track your basis:** Keep records of every improvement you make—it increases your cost basis and reduces capital gains taxes when you sell.
- **Refinance opportunities:** Monitor rates. If rates drop 0.75–1% from your purchase rate, run the math with your lender. Break-even periods on SFV home values can be short.

09 Building Long-Term Relationships & Referrals

The best real estate professionals in the San Fernando Valley build practices fueled by repeat clients and referrals—not cold outreach or advertising. This section is both a guide for homeowners to stay connected with their team, and a framework for agents who use this guide to serve their clients at the highest level.



For Homeowners: Stay Connected to Your Agent

Your buyer's agent is a long-term resource—not just someone you hired for a transaction. A great agent should be:

- **Your market intelligence source:** Reaching out semi-annually with your neighborhood's market update, home value estimate, and equity position.
- **Your vendor referral network:** The best contractors, property managers, CPAs, and estate attorneys are often found through your agent's vetted referral list.
- **Your sounding board on future moves:** Whether you're considering a refinance, an investment property, or upsizing in 3–5 years—your agent can model the scenarios before you make decisions.

STAY CONNECTED: WHAT TO EXPECT FROM YOUR AGENT AFTER CLOSING

30-Day Check-In: How is the home? Are utilities connected? Any surprise issues?

6-Month Market Update: Your neighborhood's current values, recent sales, and equity position

Annual Home Anniversary Note: A meaningful touchpoint that great agents maintain for life

Before Any Major Decision: Refinance, rental conversion, or listing—call your agent first



APP Appendix: SFV Reference Checklists & Resources

Master Buyer Timeline Checklist

☑	Complete Buyer Transaction Checklist
☐	Pull credit reports from all three bureaus (AnnualCreditReport.com)
☐	Calculate your target monthly payment and back into purchase price
☐	Choose and interview 2–3 lenders; select based on rate, service, and local reputation
☐	Gather and submit all pre-approval documents
☐	Receive written pre-approval letter
☐	Interview 2–3 buyer’s agents; select based on SFV expertise and track record
☐	Sign Buyer Representation Agreement
☐	Complete the Needs / Wants / Deal-Breakers priority matrix
☐	Select your target 2–3 neighborhoods and learn their micro-market stats
☐	Set up MLS auto-alerts and daily listing review habit
☐	Tour homes efficiently (max 4–6/day); use the 3-dimension rating system
☐	Identify a home and analyze comparable sales with your agent
☐	Write and submit a competitive offer with full documentation
☐	Negotiate counter-offers if applicable and reach acceptance
☐	Open escrow and deliver earnest money deposit
☐	Schedule general inspection within 72 hours of acceptance
☐	Complete all specialized inspections within 10 days
☐	Review all seller disclosures with your agent

☑	Complete Buyer Transaction Checklist
☐	Negotiate repair requests or credits for material defects
☐	Remove investigation contingency in writing
☐	Support lender through appraisal and underwriting; submit all requested documents within 24 hours
☐	Remove appraisal contingency (or negotiate appraisal gap if needed)
☐	Receive clear-to-close from lender; remove loan contingency
☐	Review Closing Disclosure; confirm all fees match Loan Estimate
☐	Complete final walkthrough 24–48 hours before closing
☐	Sign loan documents with notary
☐	Wire down payment and closing costs to escrow (confirm wire instructions by PHONE to prevent fraud)
☐	Confirm deed recording with your agent; receive keys
☐	Change all locks; set up utilities; document shutoffs
☐	File Homestead Declaration with LA County Recorder
☐	Sign up for LA County Assessor e-notifications

SFV-Specific Resources

Resource	Description & URL
LA County Assessor	assessor.lacounty.gov – Property tax info, exemptions, value lookup
LA County Recorder	lavote.gov/registrar-recorder – Deed recording, Homestead Declaration
DWP (Water & Power)	ladwp.com – Utility setup for City of LA properties
Southern California Edison	sce.com – Utility setup for many SFV Valley communities
SoCalGas	socalgas.com – Natural gas setup
CA Dept. of Real Estate	dre.ca.gov – License verification, complaint filing
LADBS (Building & Safety)	ladbs.org – Permit history lookup, code enforcement

Resource	Description & URL
LA County Fire Dept.	fire.lacounty.gov — Fire Hazard Severity Zone maps
LAUSD / CSUN Area Districts	lausd.net — School boundary lookup
CA Association of Realtors	car.org — Standard forms, legal resources
CFPB Mortgage Tools	consumerfinance.gov — Rate comparison, mortgage calculators
HUD Approved Counselors	hud.gov — Free homebuyer education and counseling

Glossary of Key Terms

Term	Definition
ADU (Accessory Dwelling Unit)	Secondary housing unit on a single-family lot; common value-add in SFV
Alquist-Priolo Zone	Earthquake fault zone designation; special disclosure required; some lenders restrict
CC&Rs	Covenants, Conditions & Restrictions—HOA governing rules
Clear to Close (CTC)	Lender's confirmation that all underwriting conditions are satisfied
Contingency	Condition that must be satisfied for the contract to remain binding
DOM / CDOM	Days on Market / Cumulative Days on Market—key market health indicators
EMD (Earnest Money Deposit)	Good-faith deposit held in escrow; typically 1–3% of purchase price
FHA Loan	Government-backed loan with 3.5% minimum down; more flexible qualification
HOA	Homeowners Association—governs common areas and enforces CC&Rs; dues are ongoing costs
Impound / Escrow Account	Lender-managed account for property taxes and insurance; added to monthly payment
Jumbo Loan	Loan above conforming limits (\$766,550 for LA County in 2024); stricter qualification
Mello-Roos	Special tax district assessment; common in newer SFV developments; adds to property taxes

Term	Definition
NHD (Natural Hazard Disclosure)	Disclosure of flood, fire, earthquake, and other hazard zone designations
PMI (Private Mortgage Insurance)	Required on conventional loans with under 20% down; removed when equity reaches 20%
Preliminary Title Report	Pre-closing document showing all liens, easements, and encumbrances on the property
Prop 13	California law limiting property tax increases to 2%/year on assessed value
Prop 19	California law allowing tax base transfer for 55+, disabled, or disaster-victim homeowners
RPA (Residential Purchase Agreement)	California's standard home purchase contract form
Soft-Story Building	Older multi-unit structure with vulnerable ground floor; seismic retrofit may be required
TDS (Transfer Disclosure Statement)	Required seller disclosure of all known material defects and conditions

This guide is provided for educational purposes. Real estate markets, laws, and regulations change. Always consult with a licensed California real estate professional, lender, and attorney before making real estate decisions. Information is believed accurate as of publication but is not guaranteed.

Unlock the key to a smooth, confident home buying journey!

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SCAN ME

