

Buying a house always seems much more straightforward than it is. Just by doing a quick Google search, “How long does it take to close on a house?” you see the response of 30-45 days. While possible, a buyer—and even more so—a first-time homebuyer will find themselves in a whirlwind of setbacks and even fall throughs of their financing. Closing on a home is usually never *simple*.

Setbacks can happen

How can you avoid setbacks? As potential buyers, we can always make sure that we are ready. Do your research! Today, we have an endless supply of readily available resources with a quick online search. Additionally, one can always meet with a lender to further explain the pre-approval process and a realtor, who should understand the process from contract to closing. Not understanding the process of buying a home is a guaranteed setback.

Remember that the lender and realtor make money if the transaction is successful, so they are usually more inclined to help a buyer prevent closing issues. The buyer and the seller want to work with experienced professionals to make this process as seamless as possible. If a problem can be detected before it happens, typically, preventative measures are placed to reach closing as quickly as possible.

Once a home for sale is under contract, the objective is to close as quickly as possible while still doing everything in the buyer’s power to ensure that the process goes smoothly on their end. The realtor will prepare the contract and consider placing the proper contingencies to protect the purchaser. If there are non-negotiable issues, like a compromised foundation, the buyer can back out of the contract and receive their deposited escrow. Streamlining this process can be accomplished by having a loan pre-approval complete with submitting all needed documents. The buyer cannot open new bank accounts or credit cards and cannot make expensive purchases (like furniture or a new car). These actions can cause changes in the credit score and debt-to-credit ratio of the purchaser and lead to a change in their pre-approved financing. In addition, the purchaser must consider closing costs that need to be ready for closing.

Appraisal

We must also consider the appraisal and the property inspection when completing the closing process. As mentioned before, a failed inspection can compromise the closing but will open the negotiation floor. For example, the seller might be able to grant credits at closing for certain items like HVAC, water heater, appliances, etc. The appraisal is critical; if the property is appraised at a higher value than the contracted amount, excellent! But if not, the buyer will need to fund the difference between the contract amount and the appraised value. The lender will not finance the difference on collateral that does not hold the value of the loan amount.

So, how long would it take?

Does it take 30-45 days to close on a home? I would say no. I would anticipate between 30 to 90 days, given personal experience and considering everything that can go wrong in the process. However, buying a home is a huge milestone and should be a process to enjoy and learn.

Subject – Home Buying

Title - How long Does it Take to Buy a House?

KW: closing, property inspection, appraisal

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