VALERIA SOLD HOMES

The First-Time Buyer's Guide to the East Bay

From pre-approval to keys in hand

WRITTEN FOR THE 2026 BAY AREA MARKET

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START HERE

What it actually costs to buy here

Most first-time buyers arrive with one number in their head — the down payment — and get surprised by the other four.

> **The example.** A $729,600 home — roughly the median in Pinole and Hercules this spring — financed at 6.65% on a 30-year fixed. Change the price and the shape of this stays the same.

WHAT YOU'LL NEED	AT 3% DOWN	AT 10% DOWN	AT 20% DOWN
Down payment	$21,888	$72,960	$145,920
Closing costs (est. 2–3%)	$14,600–$21,900	$14,600–$21,900	$14,600–$21,900
Cash to close	**~$36,500–$43,800**	**~$87,600–$94,900**	**~$160,500–$167,800**
Loan amount	$707,712	$656,640	$583,680
Principal & interest / mo	~$4,544	~$4,216	~$3,747
Property tax / mo (est. 1.15%)	~$699	~$699	~$699
Insurance / mo (est.)	~$150–$250	~$150–$250	~$150–$250
Mortgage insurance / mo	~$295	~$137	None
Estimated monthly total	**~$5,690–$5,790**	**~$5,200–$5,300**	**~$4,600–$4,700**

Three things that surprise people

- **You do not need 20% down.**
  Conventional loans start at 3% for qualified first-time buyers, FHA at 3.5%. You pay mortgage insurance until you reach roughly 20% equity — but waiting years to save 20% in a rising market usually costs more than the insurance does.
- **Reserves matter as much as the down payment.**
  Lenders want to see money left after closing, and you will want it too. Budget two to six months of payments on top of cash to close.
- **Property taxes reset when you buy.**
  Under Proposition 13 your assessment is based on your purchase price, not what the seller was paying. Their old tax bill tells you nothing about yours.

Illustrations, not quotes. Assumes a 6.65% 30-year fixed rate (Freddie Mac, week ending August 20, 2026); excludes HOA dues and Mello-Roos. Contra Costa tax rates vary by parcel and exceed the 1% Proposition 13 base. Get a written estimate from a licensed lender before relying on any figure here.

THE PROCESS

Eight steps, in order

1 Talk to a lender before you look at a single house

Not because you are ready to buy — because you cannot shop without knowing your number. This conversation is free and takes half an hour.

2 Get pre-approved, not pre-qualified

Pre-qualification is a guess based on what you told someone. Pre-approval means a lender has verified your income, assets and credit. In a market where homes sell in 14 to 18 days, only one of those is worth anything to a seller.

3 Assemble the team

An agent, a lender, and an inspector you trust. Line up the inspector early — when you are in contract with a 10-day window, you do not want to be searching then.

4 Tour with a filter, not a wish list

Decide in advance what is genuinely non-negotiable: commute, school district, number of bedrooms. Everything else is preference. Buyers who cannot tell the difference tour for a year.

5 Read the disclosure package before you write

In California, sellers disclose a great deal — inspection reports, natural hazard zones, known defects, neighbourhood nuisances. Most Bay Area listings publish this upfront. Reading it before you offer is how you compete without buying blind.

6 Write an offer built to be accepted

Price is one term among several. Deposit size, contingency timelines, close date and rent-back flexibility all carry weight — sometimes more than another few thousand dollars.

7 Inspections, appraisal, loan

Roughly two to four weeks of verification. Things surface. Most are solvable; the job is knowing which are not.

8 Sign, fund, record, keys

You sign at title, the lender funds, the county records the deed — and it is yours. Recording is usually the following business day, so plan the move around it.

Typical timeline from accepted offer to keys in the East Bay: 21 to 30 days. Cash or large-down-payment purchases can close considerably faster.

COMPETING

What actually wins a house here

Half of everything that sold in Contra Costa this spring closed above asking, and in Pinole it was nearly three-quarters. Under $750,000, you should expect company. Here is what moves a seller — roughly in order of how much it matters.

- **A lender the listing agent can call.**
  Sellers are choosing certainty. A local lender who picks up the phone and vouches for you is worth real money against a faceless online pre-approval.
- **Shorter contingency periods — if you have done the reading.**
  Reviewing disclosures and inspections before you write lets you shorten your investigation window honestly. Never shorten a timeline you have not actually earned.
- **A larger deposit.**
  It signals you are serious and that walking away would cost you. It is not extra money — it is your own down payment, deposited earlier.
- **Flexibility on the close date.**
  Sellers with somewhere to be care about timing more than agents assume. Sometimes a free two-week rent-back beats another $10,000.
- **Appraisal gap language, used deliberately.**
  Agreeing to cover a shortfall between the appraised value and your price strengthens an offer — and commits your cash. Only offer what you actually have.
- **An escalation clause, used carefully.**
  It can win a house at a fair number. It can also reveal your ceiling. Whether to use one depends on how many offers are expected and who the listing agent is.

> **One thing I will advise you against: the personal letter.** "Love letters" from buyers to sellers are common, and they carry real fair housing risk — they can reveal race, religion, family status or national origin and expose everyone involved to a discrimination claim. Many California brokerages now discourage or prohibit them outright. Win the house on your terms, not your story.

Offer strategy depends on the specific property, the seller's situation and how many competing offers are expected. Nothing on this page is a substitute for advice on the house you are actually writing on.

AVOID THESE

Five mistakes that cost real money

- **Shopping before you are pre-approved.**
  You either fall in love with something you cannot buy, or you lose something you could have.
- **Borrowing every dollar you are approved for.**
  Your pre-approval is a ceiling, not a target. The gap between the two is your life.
- **Budgeting for the down payment and nothing else.**
  Closing costs, reserves, moving, and the immediate repairs every house needs.
- **Skipping the disclosure package to move fast.**
  The one document that tells you what is wrong with the house, unread.
- **Waiting for the perfect interest rate.**
  Rates move in fractions. In a market running 20–25% below normal inventory, prices and competition move faster. You can refinance a rate; you cannot go back and buy last spring's house.

Before you start

- [ ] Pull all three credit reports and correct any errors
- [ ] Gather two years of tax returns and W-2s
- [ ] Two months of bank and asset statements
- [ ] Recent pay stubs
- [ ] Written pre-approval from a licensed lender
- [ ] Cash to close confirmed and accessible
- [ ] Two to six months of reserves set aside
- [ ] Inspector identified and available
- [ ] Non-negotiables written down — and agreed with anyone buying with you
- [ ] No new credit cards, car loans or job changes until you close

> **That last one is not a formality.** Lenders re-verify your credit and employment days before funding. A new car loan at the wrong moment has cost buyers the house.

Nothing in this guide is legal, tax or lending advice. Consult a licensed lender, a tax professional and, where appropriate, an attorney.

WHEN YOU'RE READY

The first call costs nothing.

Most first-time buyers I work with reach out long before they are ready — sometimes a year out. That is the right time. We can map what you will need, what your number really is, and which neighbourhoods fit it, without any pressure to move faster than you want to.

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