

8 Things Every Buyer Should Know Before Making an Offer

Can I afford to buy this home?

Can I afford to *own* it?

These aren't the same question — and most of the home search experience only helps buyers answer the first one. Here are the 8 things every buyer should understand before making an offer.



8 things buyers need to answer...

1. Is your mortgage payment actually your biggest monthly cost?
2. Will your tax bill look anything like the seller's?
3. Does your standard policy cover what you think it does?
4. Can you even get coverage — and at what price?
5. Does where the home is, determine what you pay every month?
6. Do you know what this home will cost in year 2 or year 3?
7. Are you getting everything you can out of your inspection?
8. *Where can you see all of this on the specific home you want?*

1. Your rate is fixed. The rest of your housing costs are not.

PRINCIPAL + INTEREST

The payment you calculated

Your fixed rate locks this number. It's the one most buyers know with confidence before they close.

MORTGAGE INSURANCE

Required if less than 20% down

PMI adds meaningfully to your monthly payment and isn't optional. Factor it in from the start.

Your rate may be fixed. The rest of your housing costs are not.

KEEP IN MIND

Mortgage qualification tells you what you can borrow. It doesn't tell you what this home will cost to own.

2. The seller's tax bill is not your tax bill

WHAT BUYERS NEED TO KNOW

Tax assessments are often based on valuations from one to two years prior — sometimes longer. A home that has appreciated significantly may carry a tax bill well below current market value. When you buy, many states reassess at the sale price, which can result in a meaningful increase. Always check your state's reassessment rules and how the county currently values the property.

WATCH FOR: MUD TAXES

In some high-growth areas — particularly new developments in Texas — buyers face Municipal Utility District (MUD) taxes on top of standard property taxes. These can add thousands of dollars annually and rarely appear in listing estimates.

Check your state's reassessment rules and whether surrounding sale prices have been trending up.

BEFORE YOU CLOSE

The seller's tax bill is a data point — not a forecast of what you'll pay.

3. Your standard policy covers less than you think



Standard Policy

Covers most common risks — but not everything. Read what's excluded before assuming you're covered.

Included



Endorsement

An amendment added to your existing policy for additional cost — modifies or extends coverage.

Add-on



Separate Policy

Some risks are excluded entirely and require an independent policy purchased separately.

Separate

Climate risks aren't just physical hazards — they show up first in what it costs to insure a home.

BEFORE YOU MAKE AN OFFER

The gap between what's covered and what isn't is where buyers get financially exposed — often after it's too late.

4. In many markets, coverage is getting harder to find —

FLOOD

Standard policies exclude flooding. In FEMA-designated high flood risk zones, lenders require buyers to secure a separate NFIP flood policy as a condition of the loan.

WIND / HAIL

May be available as an endorsement or require a separate policy depending on the state. Often carries a separate deductible in high-risk corridors.

FIRE

In high-risk areas, standard policies may exclude wildfire entirely. Depending on the state, FAIR plan coverage — if eligible — can run thousands to tens of thousands per year, on top of a required standard policy.

In some cases, a home may not be insurable at a cost the buyer can absorb — or at all.

THE BOTTOM LINE

Climate risk is the accelerant. In affected markets, insurance costs are rising faster than any other part of the monthly payment.

5. Your utility bill depends on where the home is, not just how big it is



COLD CLIMATES

Higher combined costs in winter

Electricity and heating peak significantly in winter — often split across a power bill and a separate gas or heating oil bill.



WARM CLIMATES

Sustained elevated electricity year-round

Air conditioning drives sustained, elevated electricity costs with fewer seasonal offsets. Rate per kWh matters as much as consumption.

Ask your agent for the seller's actual bills — or at minimum their highest winter and summer bills.

THE BIGGER PICTURE

Electricity costs are up 30%+ nationally since 2020 — and compound for as long as you own the home.

6. The condition today determines the cost tomorrow

DURING INSPECTION

Ask your inspector what's likely to fail first

Beyond the written report, ask directly: what needs attention in the near term? Inspectors see patterns across thousands of homes and can give you a cost picture the report alone won't convey.

YEARS 1-5

The hardest time to absorb large costs

Your savings have just been depleted and you haven't built equity yet. Knowing what will need replacing in the first 3-5 years is critical before you close.

CLIMATE FACTOR

Climate accelerates material wear

Hail, humidity, freeze-thaw cycles, and wildfire smoke can shorten the life of roofing, siding, and systems — sometimes significantly.

A thorough inspection isn't just peace of mind — it's a financial forecast.

REMEMBER

In climate-exposed markets, the maintenance forecast runs longer than most buyers expect.

7. What the inspection reveals can change what this home costs to own

LOW RESILIENCE — THE RISK

Exposure compounds over time

- Repair costs after weather events
- Insurance gaps and out-of-pocket exposure
- Higher utility costs from inefficient systems
- Accelerating replacement cycles

HIGHER RESILIENCE — THE RETURN

Costs slow — sometimes fall

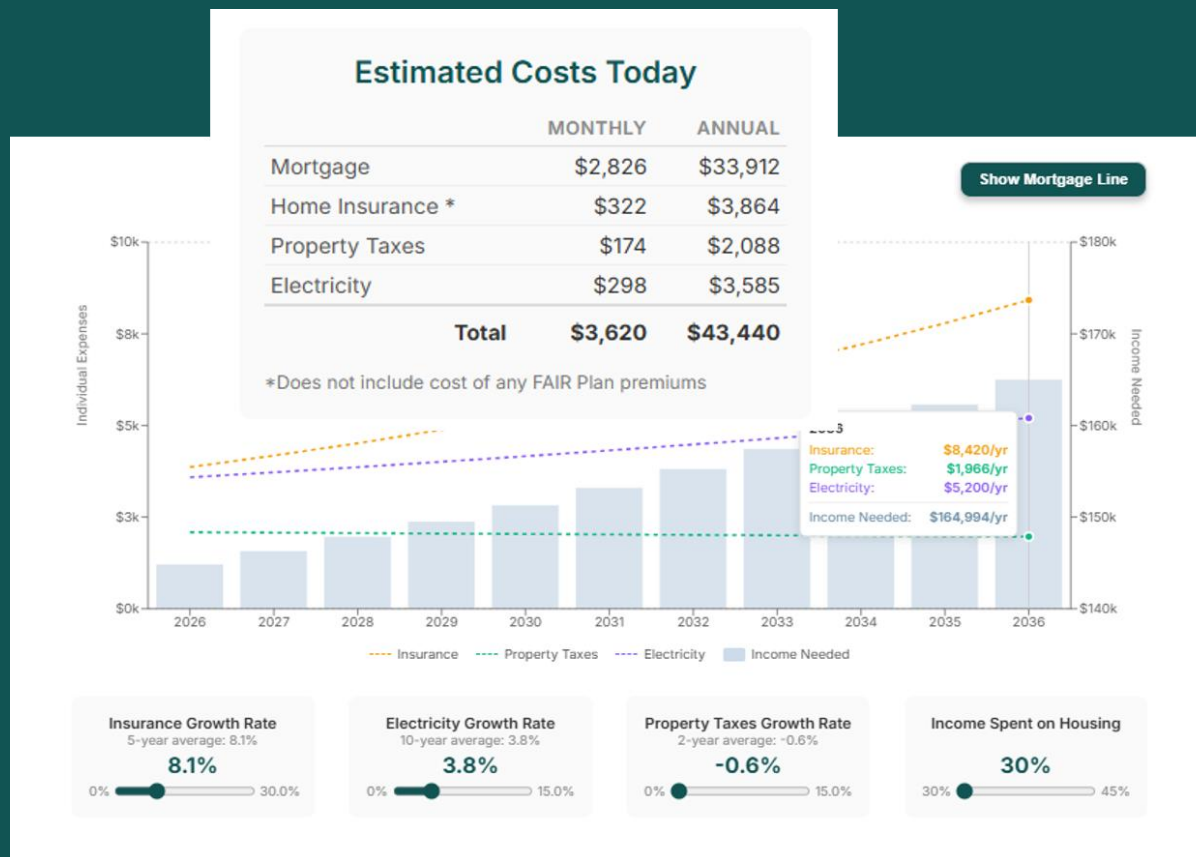
- Lower insurance premiums over time
- Reduced utility costs from smart upgrades
- Less exposure after storm events
- Strategic investment, not reactive spend

The resilience profile at purchase is a starting point, not a fixed condition — understanding it gives you leverage before you close.

THE BOTTOM LINE

Knowing what's already in place — and what could be improved — is how you budget for ownership before you've spent every dollar on closing.

8. The information exists. It just hasn't been part of the search experience. *Until now.*



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