

5 Mistakes First-Time Homebuyers Make



Jesse Oñate · Realtor

The hidden traps your agent might not tell you, specific to buying in Southern California.

WHAT YOU NEED TO KNOW

1

Supplemental Tax Bills

About 3 to 6 months after you close on your home, you will get a surprise tax bill. It can be thousands of dollars. This is called a "supplemental tax." It makes up the difference between what the last owner paid and what your home is now worth. Most buyers have no idea this is coming.

PRO TIP: Ask for an estimate before you close. Set aside 1% to 1.5% of the price just in case.

2

Mello-Roos: The Hidden Second Tax

On top of your normal property taxes, many areas in LA County have something called Mello-Roos. It is an extra tax that pays for things like schools and parks. It can add \$3,000 to \$5,000 or more per year to your bill. And it will not show up in most mortgage calculators.

PRO TIP: Look up the full tax bill on the LA County Assessor website using the parcel number before you make any offer.

3

The Dual Agency Trap

In California, one agent can legally work for both you and the seller at the same time. When this happens, your agent is not allowed to tell you the seller would take a lower price, even if they know it. They get paid double, but you lose out.

PRO TIP: Always make sure your agent only works for you. Pick one from a different company than the seller's agent.

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4

Contingency Removal Pressure

In hot markets like SoCal, sellers will push you to give up your safety nets. These are called contingencies. If you give up the appraisal contingency and the home is worth less than what you offered, you have to pay the difference in cash. For example, if you offer \$800K on a Downey home but it only appraises at \$750K, you owe \$50K out of pocket or you lose your deposit.

PRO TIP: Never give up all your protections. Offer to cover a small gap (\$10K to \$15K) and shorten the inspection time instead of removing it.

5

Prop 19's Hidden Disadvantage

California has a law called Prop 19. It lets homeowners over 55 keep their low property tax rate when they buy a new home. So someone who bought a house in 1985 can buy the same home you want, but pay 3 to 5 times less in taxes each year. This gives them a big hidden advantage when they compete against you.

PRO TIP: Look for homes that need a little work or are being sold by an estate. Also check out CalHFA programs that help first time buyers with their down payment.



100+

Homes Closed



5.0

Google Rating



Downey

& Surrounding Cities

Ready to Buy Smart?

Now that you know what to watch out for, let's make sure you are fully ready. Book a free Zoom call with me and I will walk you through everything.



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