FOR OUT-OF-STATE BUYERS

THE CALIFORNIA REAL ESTATE PROCESS CHEAT SHEET.

TRANSLATING HOW A CALIFORNIA PURCHASE ACTUALLY WORKS.

For many out-of-state buyers, the hardest part of a California purchase is not the house. It's the process. The mechanics feel unfamiliar, the paperwork is heavier, the timelines are faster, and the closing looks nothing like what buyers from other states may expect. This is the plain-English translation.

WHERE IS MY CLOSING ATTORNEY? ESCROW AND TITLE.

If you bought a home on the East Coast, in the South, or in much of the Midwest, your closing probably involved an attorney, a closing table, and a room where you and the seller sat across from each other to sign documents. California is different. California is generally an escrow and title state, and the closing room you may be picturing does not really exist here.

ESCROW

A neutral third party that holds the funds, coordinates signatures, manages deadlines, tracks paperwork, and works with the lender, title, agents, and parties to move the file toward closing.

TITLE

Handles ownership review — title insurance, recording, lien resolution, and the legal-record side of the property. The two work together throughout the transaction.

IN CALIFORNIA, THERE IS NO CLOSING TABLE.

Buyer and seller usually never meet. Signing happens separately, often with a mobile notary who comes to your home or office. Closing happens when funds are received, the deed records, and escrow confirms the file is complete.

LOCK, THEN INSPECT. THE ORDER OF OPERATIONS.

Other markets often complete inspections before signing the final contract. California typically works in reverse. You write an offer, the offer is accepted, you deposit earnest money — and then the contingency and due-diligence period begins.

STEP 1

WRITE THE OFFER

Price, terms, and contingencies negotiated in the purchase agreement.

STEP 2

OFFER ACCEPTED

You are now "in contract" and "in escrow" — but the work is just beginning.

STEP 3

DEPOSIT EARNEST MONEY

Often around 3% of the purchase price in many California residential transactions. Terms vary by deal.

STEP 4

CONTINGENCY PERIOD BEGINS

The clock starts. This is your safety window for due diligence.

STANDARD BUYER CONTINGENCIES

Standard California purchase contracts often default to roughly 17 days for the investigation/inspection contingency and 21 days for the loan contingency. These timelines are negotiated in the contract itself. Confirm what is written in your actual agreement.

- Inspection contingency
- Loan contingency
- Appraisal contingency
- Title review
- Disclosure review
- HOA document review (if applicable)
- Insurance review
- Property-specific investigations

BEING IN ESCROW IS NOT THE POINT OF NO RETURN.

The contingency period is the buyer's real safety window. Use it seriously — order the right inspections, read the disclosures, review the HOA package, run the insurance quotes, and ask the questions that need to be answered before contingencies are removed.

THE AVALANCHE OF CALIFORNIA DISCLOSURES.

Buyers from the Midwest, the South, or much of the East Coast may be used to a relatively short seller disclosure. California is the other direction. Disclosure packages can feel overwhelming because buyers often receive hundreds of pages of documents inside the contingency window.

The package can include some or all of the following — depending on the property:

- Transfer Disclosure Statement (TDS)
- Seller Property Questionnaire (SPQ)
- Natural Hazard Disclosure (NHD) report
- Preliminary title report
- Local and area-specific advisories
- Agency relationship disclosures
- HOA documents: CC&Rs, budget, reserves, minutes, pending assessments
- Seismic and liquefaction zone information
- Flood zone information
- Fire hazard severity zone information
- Insurance-related disclosures
- Rental restrictions and STR rules where applicable

PAPERWORK SHOCK DOESN'T MEAN A BAD PROPERTY.

The volume is normal. California is doing what California does — disclosing heavily, on purpose. You don't need to become an expert in every form. You do need someone helping you organize what matters: what's routine, what's property-specific, what needs a specialist, what affects insurance, resale, renovation, or rental use.

WHY THIS MATTERS MORE IN NEWPORT.

A California purchase already comes with a heavier process than many out-of-state buyers are used to. A Newport purchase usually adds another layer on top — because the value of the property is often tied to use rights, rules, location-specific risk, and lifestyle fit, not just bedroom count and square footage.

- Coastal proximity & salt-air maintenance
- HOA architectural review, where applicable
- Mello-Roos special tax on certain Newport Coast tracts
- School boundary verification by exact address
- Flood zones & king tide history (Peninsula, Balboa, Lido)
- Fire hazard severity (Newport Coast, Crystal Cove, canyon-adjacent)
- Short-term rental permits & restrictions
- Dock, seawall, bulkhead on waterfront properties
- Coastal Commission and city renovation limits
- FAIR Plan and insurance availability

THE SHORTEST VERSION.

California works differently — but the basics are simple. Escrow is normal. The disclosure package is normal. The contingency period is your due-diligence window. And this is exactly why a thoughtful advisory process matters — especially on a Newport purchase, where the layers add up.

This is a plain-English overview of how the California process tends to work — not legal, tax, lending, escrow, or title advice. Specific contract questions belong with the appropriate licensed professionals: your attorney, lender, escrow officer, title officer, insurance broker, and CPA.

WHEN YOU'RE READY

CONFUSED ABOUT SOMETHING SPECIFIC? SEND IT OVER.

Out-of-state buyers are not just learning Newport — they're learning a new transaction system at the same time. My job is to slow the process down at the right moments, translate what is normal, identify what is not, and make sure the right people are brought into the conversation before a buyer removes contingencies.

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