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REAL ESTATE

Real estate is the land along with any permanent improvements attached to the land, whether natural or man-made including water, trees, minerals, buildings, homes, fences, and bridges. Real estate is a form of real property.

How Real Estate Works

Real estate involves numerous facets because it doesn't simply exist. It can segue from unimproved to improve. It can be purchased or sold. It might be owned by a government, a corporate entity, or by a private party. But certain components can have a direct impact on the economy: consistent improvement of land and the individual and entities that facilitate those transfers of ownership.

Real Estate Agents

Real estate agents assist individuals, businesses, and investors in buying and selling properties. The industry is typically divided up into specialties.

Sellers or listing agents help find buyers through the Multiple Listing Service or their professional contacts. They price your property using listings of recently sold homes known as "comparable" or "comps" because they're similar to yours. They can help you spruce up your property, so it looks its best to potential buyers. They assist in negotiations with the buyer or the buyer's agent to get the highest price possible.

Buyers' agents provide similar services for the home purchaser. They know the local market, so they can find a property that meets your most important criteria. They also compare prices, a process that's referred to as "doing comps." This helps them guide you to areas that are affordable. Buyers' agents negotiate for you, pointing out reasons why the seller should accept a lower price. They can help with the legalities of the process, including title search, inspection, and financing.

Types of Real Estate

There are four types of real estate.

1. Residential Real Estate

Residential real estate includes both new construction and resale homes. The most common category is single-family homes, but there are also condominiums, co-ops, townhouses, duplexes, triple-deckers, quad lexes, high-value homes, multi-generational homes, and vacation homes.

2. Commercial Real Estate

Commercial real estate includes shopping centers and strip malls, medical buildings, educational buildings, hotels, and offices. Apartment buildings are often considered commercial, even though they're used for residences because they're owned to produce income.

3. Industrial Real Estate

Industrial real estate includes manufacturing buildings and property, as well as warehouses. The buildings can be used for research, production, storage, and distribution of goods. Some buildings that distribute goods are considered to be commercial real estate. The classification is important because zoning, construction, and sales can be handled differently for this type of property.

4. Pieces of Land

Land includes vacant lots, working farms, and ranches. The subcategories within vacant land include undeveloped, early development or reuse, subdivision, and site assembly.

5. Investing in Real Estate

Anyone who buys or sells a home engages in real estate investing, and this means considering several factors. Will the house rise in value while you live in it? How will future interest rates and taxes affect you if you get a mortgage?

Some people do so well investing in their own homes that they want to buy and sell homes as a business. You might flip a house, buy it to improve it, and then sell it. Many

people own several homes and rent them out. Others use Airbnb or a similar service as a convenient way to rent out all or part of their homes.

Construction of New Buildings

New home building is a critical category. It includes the construction of single-family homes, townhouses, and condominiums. The National Association of Home Builders (NAHB) provides monthly data on home sales and average prices.

How to Buy a House

Buying a home can seem like a daunting process it just may be the most expensive and emotionally charged purchase of your life. But even during a pandemic, with careful research and determination, the keys to that dream home can be yours. We'll help you along your path toward homeownership.

The Decision to Buy

Before taking the plunge into the buyer pool, it's important to consider whether homeownership is right for you.

Rent vs. Buy?

When looking for a new place to live, the first question you ask yourself will help drive the rest of your decision-making. Should you rent or buy? Buying may seem appealing because you will put an end to escalating rent and can build equity. But the reality of routine home maintenance and repairs can quickly drain a bank account.

In general, whether renting or buying is better for you largely depends on your specific circumstances.

Here are some basic questions to consider when thinking about buying a home:

How long do you plan to stay there? If you expect to relocate in just a couple of years, renting is likely a better option.

How much home can you afford? If you can't afford a home large enough to fit your family in a few years, it may be worth it to rent while you save a bit more.

What's on the market? If you can't find a home you like, it's likely not worth tying yourself to something you're unhappy with.

Another factor to consider: The current housing market is one of the most competitive in decades, with record-high prices and record-low inventory.

That means buyers should be prepared to make multiple offers and be aware that they may have to pay more than a home is listed for sometimes thousands of dollars more in order to get their offer approved.

Still can't decide if buying is for you? Check out The Times' rent-versus-buy calculator to dig deeper into the difference in expenses. If both your lifestyle and the hard numbers point toward buying, the next step is to determine how much home you can afford.

How many houses Can I Afford?

To determine how much you can spend on a home, take a close look at your budget.

Review your bank statements and spending habits for the last couple of months to figure out how much you are spending on everything from cellphone bills to streaming services to your weekly restaurant takeout. The Consumer Financial Protection Bureau offers a spending tracker that can help you figure out where your money is going each month.

Because of the pandemic, homeownership is more affordable than ever. Interest rates on mortgages, near record-low territory, are around 3 percent. If you can qualify for a loan, these rates add up to significant savings over the course of a 30-year loan.

Once you have a better picture of your spending habits, determine how much you want to allocate toward a monthly home payment. This figure includes your principal, interest, tax, and insurance payment, which add up to your monthly mortgage sum. The Federal Housing Administration formula, used by many lenders, recommends allocating no more than 31 percent of your monthly income to your housing payment. This figure will change based on your amount of debt. Buyers with no other debt may be able to budget as much as 40 percent of monthly income to housing. (But remember that the rest of your budget is going to have to go toward heat, water, electricity, routine home maintenance, and food.) Overall, your total debt-to-income ratio, including car payments and credit card bills, should not exceed 43 percent.

So, for example, if you make \$50,000 in annual gross income, your monthly gross income is \$4,167. That should leave you with \$1,292, or 31 percent, to devote to your monthly mortgage, provided your overall debt does not exceed \$1,792 a month. Our mortgage calculator can help you determine what your monthly mortgage maybe — don't forget to adjust the slider to match current interest rates, which can be checked [here](#).

But remember that besides the mortgage, buying a home includes additional one-time payments that can quickly add up, including closing costs, legal fees, and other expenses associated with buying, such as a house inspection. And don't forget about moving fees or home improvements.

The pandemic is also raising the financial stakes on these costs for new homeowners: Because the housing market is so competitive, many buyers, in a bid to get a leg up, are now choosing to waive contingencies in order to have their offers accepted.

Contingencies offer buyers an out if something unforeseen arises. They allow you to cancel a purchase if an inspector finds the need for significant home repairs and to cancel or renegotiate deals if an independent home appraiser deems the home value to be significantly less than the purchase price. A mortgage contingency gives buyers the option of pulling out of the deal if they can't obtain financing within a reasonable amount of time. And if you need to sell your current home to afford the new one, you should make your offer contingent on the sale of your own home.

By waiving them, buyers may get a leg up in the market but are also vulnerable to extra costs after the sale is completed. So proceed with extreme caution.

Organize Your Finances

It's time to assess your spending, clean up your credit and figure out what you can afford.

15. Count Your Pennies

Have you decided to buy it? Before you jump into the world of combing online home listings, attending open houses, and vetting real estate agents, take the time to get your finances in order. It will help you once it's time to apply for the mortgage. It will also help you get some financial perspective before you fall in love with that perfect center-hall colonial or the studio with views of the park.

1. Check Your Credit Score

Lenders use credit scores, also known as FICO scores, to evaluate the potential risk of lending to you. The higher the number, which runs from 300 to 850, the better your score. The best mortgage rates go to borrowers with credit scores in the mid-to-high-700s or above, according to the Consumer Financial Protection Bureau.

To find out where you stand, go to annualcreditreport.com, which offers a free report annually. Be aware that the three major credit-reporting bureaus, Equifax, Experian, and Transunion, generate their own FICO scores based on the data they collect; you'll be able to find out all three here.

Is your FICO score low? You can improve your score by paying down high credit card debt and by cleaning up any financial mistakes, like errors resulting from identity theft or mixed-up files belonging to another person with the same or similar name. Be aware that it takes time for these changes to be reflected in your credit score, from months for an inaccurate bill to years if you've had tax liens or bankruptcies. But if you can clear up your credit, it can make a big difference in your mortgage rate.

2. Decide if You Want to Go Digital or Analog

Digital lending platforms like Better.com, Rocket Mortgage, and Lending Tree are growing rapidly in popularity, and for a good reason: They not only allow potential buyers to apply for loans from home and on their own schedules but also have the potential to remove biases from the loan industry. But applicants with spotty employment history, credit issues, or those relying on a gift for their down payments might run into issues online, where their applications could trigger a more thorough inspection. In these cases, working with a traditional human lender might provide a smoother experience.

3. Get a Mortgage Preapproval

A preapproval letter is a written estimate from a lender of how much you will likely be able to borrow from them. This letter will help you determine how much you can afford and help demonstrate that you can secure a home loan when you are ready to make an offer on the house. Getting preapproved for a mortgage is different from getting prequalified for a loan, which is essentially a back-of-the-envelope calculation of how much of a loan you may qualify for based on unverified information. The preapproval application for a mortgage often requires submitting pay stubs, bank statements, tax returns, and other financial documents. Take the time to get one now, so you're ready to make an offer as soon as you find a home you love.

4. Line Up Cash

The more cash you can pay upfront toward your home, the less you will have to borrow. A bigger down payment means your monthly payments will be lower, and you will pay less interest over the course of your mortgage. If you can afford to put down 20 percent or more of the total home price, you typically won't have to pay for mortgage insurance, a premium that protects the lender in case you default on the loan. But don't use all your money toward a hefty down payment. Lenders will want to see that you have some reserves in the bank. Closing costs typically add up to thousands of dollars, according to Bankrate.com, which conducts a survey of closing costs nationwide and offers a free

breakdown of the average costs by state. You'll also need cash on hand for moving, renovations, and other incidentals.

The Search for a New Home

Now that you have a better sense of your budget figure out where you want to live.

1. Choose a Neighborhood

What makes a good neighborhood? The answer to that question is going to be different for everyone. But you can quickly narrow your choices by focusing on some key factors:

- Where can you afford a home?
- Are you working from home or commuting?
- Do you want to be near good schools?

Talk to friends and co-workers about where they live. Then, spend some time in the neighborhoods you're considering, checking out shops, restaurants, and public spaces to get a better feel for the place. If you're still unsure, consider taking a quiz or two: Apps and online tools are available that tap into smart algorithms to help you choose the neighborhood that best fits your needs.

2. Comparison Shop

The chances are that even before you've officially started your home search, you'll have spent a little time browsing websites like [nytimes.com/real estate](https://www.nytimes.com/real-estate), [Realtor.com](https://www.realtor.com), and [Zillow](https://www.zillow.com) to see the homes available in that area. Now it's time to home in on what you truly want. Eliminate sections of your chosen town that don't have the style or size home you want at the price you can afford. Setting up alerts on these sites based on your criteria can help automate some of the work. Many search sites show how long a given listing has been on the market if the price has been raised or lowered, past sales, and other useful data that can help determine if a listing is overpriced or has been languishing on the market. From there, figure out which homes you want to take a closer look at.

3. Time to Tour

Open houses can help you get a sense of the housing stock in the area and what is meant by a dog-trot house or a railroad flat.

But during the pandemic, most open houses have been canceled and replaced by private appointment-only showings in order to keep buyers and brokers safe. And many home buyers are choosing to forgo visiting in person entirely, relying instead on the newly bolstered 3-D videos that accompany online listings, and sending an agent or proxy into the home to tour it for them while they watch on a video call. Virtual tours, which include everything from slick, professionally produced videos to shaky cellphone videos, can sometimes hide flaws like creaky floors or low light, so make sure to ask for measurements and don't hesitate to bring up questions.

A private showing with a real estate agent, scheduled by appointment, will allow you to take a closer look at a property and will reveal things that video simply can't.

During your showing:

Open the closets to check the storage space.

Pull back the curtains to consider the view.

Walkthrough the backyard and consider the maintenance needed to keep it in shape.

Ask a lot of questions: How far is the home from trains and buses? If you are working from home, what is the daytime noise level? Why do the sellers want to move? When were the last improvements? How much do utilities cost? Have any offers already been made?

Open houses can also be a good way to meet real estate agents with whom you might consider working.

4. Find a Real Estate Broker

You can find homes for sale on your own, but a good broker can help you make sound decisions and guide you through the home buying process. A broker can also help you get access to homes as soon as they hit the market, before they may be listed online.

To find the right broker for you, talk to friends and family members who have bought or sold recently in your area. Look for a broker who has a track record working with buyers in your situation and who will get back to you promptly. Keep in mind that your broker's commission, typically 5 to 6 percent split with the seller's broker, will ultimately come

out of the sale proceeds although this fee structure is starting to be challenged, and some brokerages will split their commission with buyers or charge less. So even though you may not be paying your agent directly, you can expect that fee to be accounted for in the list price. And remember: Your broker works for you but doesn't get paid unless you buy a home.

Making an Offer

Once you find a home you want to make an offer on, don't delay.

Finding "The One"

Did you walk into a private showing and get Goosebumps? Did you dive into a 3-D virtual tour and realize you finally found the home that has everything you're looking for? Did you sit down and weigh the pros and cons of three homes? However you come to a decision on the home you want to buy, the next steps you take are crucial.

1. Analyze Your Market

Look for comparable homes of a similar size that have recently sold nearby to help determine a fair offer. A good real estate agent will pull such "comps" for you, talk through pricing and market dynamics, and work with you to come up with an offer strategy with room for negotiation.

If the home you fall in love with happens to be listed with your real estate agent, he or she may offer to cut the commission and represent both parties. While such dual agency arrangements can work out fine, there is the potential for a conflict of interest.

Negotiating involves lots of giving and take, and this can get tricky if your agent is also representing the seller. For peace of mind, it's O.K. to find another agent to represent you.

2. Be Willing to Negotiate

Understand that making an offer on a home is sometimes the start of a psychological game. You likely want to get the home for as little as you can without losing the house outright. The seller wants to maximize the selling price of the home without scaring you away. Where should you start with your first offer? Conventional wisdom says to begin at 5 percent below the asking price, but market conditions will largely determine how

much wiggle room you have. The more competitive the market, the more likely you are to face multiple bidders. In a soft market, where listings have been sitting unsold, you will have more negotiating power. In a rising market, prime listings will command the full asking price or more, and sometimes offering just a few thousand dollars above the listing price can help your offer stand out. Either way, keep your budget in mind when you make your first offer and set a cap of how high you are truly willing to go.

3. Be Prepared for a Bidding War

In a highly competitive market, where attractive listings are scarce, you can forget about getting a deal. While the highest offer often wins out, being the first to make a solid offer can give you an edge in a bidding war.

Things that can help you stand out to a seller:

Raise your down payment.

Be flexible about the closing date.

Be willing to waive contingencies.

4. Make a Formal Offer

Once you and the seller agree on a price, your agent will draw up a formal offer for you to review and send it to the seller's agent for review. If the offer is accepted, a cash deposit, also known as "earnest money," is often required to show good faith. (This money will be held in an escrow account until closing and will ultimately go toward your down payment.)

While the specific process and legal requirements vary in different parts of the country, the formal offer should explain the terms and conditions of the purchase, including how you plan to pay for the place along with any contingencies (as long as they haven't been waived).

5. Hire a Real Estate Lawyer

You will need a real estate lawyer to help you at this point until closing. He or she will help to negotiate any issues that come up over the course of a home inspection or securing a mortgage. Look for a lawyer who has a track record working with buyers in your situation and who will get back to you promptly. If you are gravitating toward a New York City co-op apartment, for instance, you want a lawyer who understands the accounting methods used by co-ops and is able to mine the minutes of its board meetings for red flags.

6. Don't Fall in Love

This may be the hardest step in the process of buying a home. Be prepared for disappointment. Counteroffers are common. So is rejection. Keep in mind that even if the seller has orally accepted your offer, he or she may still be able to entertain and accept other offers (it may depend on your state). And even after you have a signed contract, issues can arise. If you're buying in a co-op, for example, the co-op board could decide to turn down the sale.

10 New Homeowner Tips You Need to Know

Homeowner Tips and Tricks

1. Create a Homeowner's Binder

You may have noticed during the purchasing process that there is a lot of paperwork involved in owning a home. Before you move into your new home, create a binder for important documents, such as mortgage and home insurance paperwork.

After your move-in, use the same binder to store all of the guides and warranties for your new appliances—store receipts for any home improvement and moving expenses here as well. You'll want to hang on to these for your taxes. You can also start collecting contact information for reliable contractors in this binder.

2. Wait to Start Any Large Projects

One thing every homeowner should know: home improvement projects are expensive. Avoid completing unnecessary projects. Unless your new home is not livable, hold off on any major construction projects until you've lived in the home for at least six months. Waiting a few months to make any huge changes will allow you to get a feel for your home and put your priorities in order. After a few months, you may learn that the floor plan doesn't bother you as much as expected, but you've discovered you can't live with the current bathroom configuration. Waiting will also give you time to save for the cost of any upcoming projects.

It is a good idea to complete small projects such as painting or removing the carpet before moving into your new home.

3. Complete One Project at a Time

Don't work on multiple home projects at once. You may want to get all your improvements finished as soon as possible, but this isn't the answer. Not only will you exhaust your finances, but you will also make your new home unlivable and add unnecessary stress to your everyday life.

Instead of starting all your projects at once, learn how to plan a home remodel that won't make you miserable.

4. Learn How to Identify Potential Issues in Your New Home

One of the best homeowner maintenance tips is to detect minor problems before they become huge issues. After purchasing your home, take some time to learn about some of the common issues homes face, especially if you've purchased an older home or one that was unoccupied for a period of time. Being able to identify a potential problem early on could save you money later.

If you can catch these issues early, you can prevent further damage to your home and save yourself a lot of headaches.

5. Start an Emergency House Fund

You never know when something is going to go wrong or how much it is going to cost. A great homeowner tip is to start an emergency savings account as soon as possible.

The longer you live in your home, the more likely you are to experience a surprise plumbing, heating, or roofing issue. Start saving early to take a little stress out of this typical homeowner experience.

6. Pay Attention to Your Energy Usage

Owning a home means paying your own utility bills. Pay attention to how your home is using energy and use the information to reduce your carbon footprint and save money. You'll be surprised how small changes can affect your electric bill.

7. Make Friends With Your Neighbors

As many homeowners know, having bad neighbors can make your living situation less than pleasant. Work to be a good neighbor right away by introducing yourself and making friends as soon as you move in. Building a relationship with your neighbors will help you learn about your neighborhood, find reliable contractors, and maybe even allow you to borrow tools when you need them.

Knowing your neighbors will also make it easier to address any issues that arise later, such as property line or noise concerns.

8. Know How to Turn Off Your Water Valve

Picture this: You wake up in the middle of the night to find a busted pipe filling your basement with water. It takes you five minutes to locate your main water valve and two more minutes to turn it off. That's seven additional minutes of water flowing into your basement.

It's a good idea to locate this valve when you move in and learn how it works to save yourself time during an emergency. Learn how to shut off your power and gas lines while you're at it.

Another homeowner tip is to turn off your main water valve whenever you leave on vacation. This will prevent flooding if something should go wrong when you are out of town.

9. Change Your Air Filter Regularly

This probably sounds obvious, but it is an often overlooked homeowner maintenance tip. When you move into your home, change your air filter right away. Mark the date on your calendar and change it every 90 days moving forward. Consider changing it every 60 days if you have pets or if you suffer from allergies.

Changing your air filter not only helps keep your air clean but also reduces dust in your home and extends the life of your furnace.

10. Invest in New Tools

Now that you're a homeowner, it's time to get yourself a toolbox. From measuring for a new couch to hanging curtains and photographs, you're going to need tools even if you're not planning any big DIY projects.

Best tools for new homeowners:

- Measuring tape
- Hammer
- Electric drill
- Ladder
- Stud finder
- Owning these tools will make following the rest of these new homeowner maintenance tips easier

15 essential tips for new homeowners

1. Find a reliable handyman

One of the best things you can do for yourself (and for your house) is to find a reliable and trustworthy handyman to help with home projects. A good handyman should be a “jack of all trades” who is able to help with a number of home service needs. From hanging artwork to installing light fixtures, you’ll need someone to assist with various tasks once you move in. For advice on how to find a trustworthy handyman and other service professionals, read our tips here.

2. Get to know your neighbors.

Meeting your next-door neighbors is one of the most important things you can do once you move in. After all, you never know when you’ll need a good neighbor to grab the mail or water the plants when you’re out of town. Establishing a good rapport with neighbors also goes a long way in making your day-to-day living situation more enjoyable. For advice on how to meet your neighbors, read our tips here.

3. Take your time with renovation projects.

Want to make changes to the home? We recommend taking it one project at a time as opposed to carrying out a massive renovation all at once. This way, you’ll be able to save money and pay for projects as you go. It also helps to first live in the house to see what it is you really need and want to change. That way, you’ll be able to better prioritize renovation projects. For advice on how to budget for a renovation, read our tips here.

4. Keep all home warranties and manuals in a safe place.

As a new homeowner, you’re going to inherit a number of appliance manuals and warranties (that is – if they’re still under warranty). Make sure to keep all of these in an organized folder, so you’ll be able to find them whenever necessary. In addition, you’ll need to pass on any new and existing warranty information and manuals to the new homeowners if and when you sell the house.

5. Change the locks before you move in.

Don't wait to change the locks. We recommend hiring a locksmith, changing the locks, and getting new keys before you move into the home. After all, there's no telling who has a key to the home. Former homeowners could have given out keys to babysitters, service professionals, friends, and neighbors. Just to be safe, go ahead and change the locks before moving your precious belongings inside.

6. Replace air filters regularly

Breathing dirty air isn't healthy for you or your family. If the home was sitting on the market without owners living inside, then the chances are good that those air filters haven't been changed in a while. Dirt and dust accumulate in the filters over time, making your HVAC system less efficient overall. Fortunately, you should be able to find replacement filters at your local hardware store. For more advice on HVAC maintenance, read our tips here.

7. Paint the house before you move in

There's nothing more inconvenient than having to paint a home while you're living inside. Not only will the house be swarming with professional painters throughout the day, but you'll also have to smell and breathe in those less than pleasant paint fumes. To avoid this inconvenience, go ahead and schedule the painters to repaint the walls before the move takes place.

8. Maintain an emergency fund for unexpected home problems

As a new homeowner, you should be prepared to deal with unexpected (and expensive) problems that might arise with the home. These problems could include your AC system dying, plumbing problems, mold problems, pest problems, and structural issues. Unfortunately, fixing these problems is typically costly. It's helpful to have a safety net – or emergency fund – set up to pay for these types of home problems.

Focus on improvements that will give you the most bang for your buck

Are you looking to renovate the home? In addition to taking your time with home projects, it's also a good idea to focus on improvements that will give you the most

return on your investment. Examples of projects that typically yield a good return include an updated kitchen, a neutral paint job, an outdoor deck, and a bathroom remodel. For more advice on the most valuable home improvements, read our tips here.

9. Choose your homeowner's insurance provider carefully.

Finding a good homeowners insurance policy is one of the most important things you can do when you own a home. This type of coverage should provide financial protection from structural damage due to natural disasters (think: a fire or tornado). In addition, having good homeowners insurance will provide you with much-needed peace of mind. For advice on homeowners insurance, read our tips here.

10. Do a deep clean of the home prior to moving in.

It's unlikely that the former owners had their home professionally cleaned prior to moving out. From scrubbing toilets and disinfecting bathroom surfaces to cleaning the sink and mopping the floors, there are a number of things that should be cleaned before moving your furniture and belongings inside. To ensure that you start things out on the right foot (and with a clean slate), we highly recommend giving the home a deep clean prior to moving in. For advice on how to give your home a deep clean, read our tips here.

11. Take advantage of the tax benefits.

Believe it or not, there are a number of tax breaks and financial benefits that go along with owning a home. One major tax benefit of homeownership is the mortgage interest deduction, which "allows you to reduce your taxable income by the amount of money you've paid in mortgage interest during the year," according to Nerdwallet.com. For more advice on taking advantage of the financial benefits of homeownership, read our tips here.

12. Perform a home energy audit

Upon moving into your new home, we recommend scheduling an energy audit as soon as possible. Offered by many utility companies, these audits assess the energy efficiency of the home. After a full assessment has been completed, the utility company will

provide you with valuable advice for improving the home's overall efficiency. Of course, it doesn't take much to properly energy-proof your home. For advice on low-cost ways to improve energy efficiency (and save money on utility bills), read our tips here.

13. Plant shade trees

Speaking of energy efficiency, one of the best ways to save money on cooling bills (and improve your landscaping at the same time) is to plant shade trees along the exterior of your home. These shade trees will reduce the amount of sunlight that enters your home, keeping it cooler during the summer months. Adding trees will also improve the air quality surrounding your house.

14. Be prepared to pay property taxes.

Don't forget to factor in the cost of property taxes when purchasing a home. Your property taxes will be determined by your county's tax rates and the assessed value of your home. When creating an annual budget, it's very important that you factor in these property taxes, so you don't end up with a bill you can't pay. For advice on calculating your property taxes, read our tips here.

20 Home Maintenance Tips for the First-Time Home Buyer

1. Check Your HVAC Filters

Your HVAC filters are an important part of helping your heating and cooling systems function at their best by preventing dust and debris from getting in and slowing things down. It is a good idea to change them regularly.

2. Caulk Your Windows.

Caulking around your windows and doors can help you cut down on heating and cooling bills by preventing air leaks.

3. Check Your Weather Stripping.

Making sure that you have adequate weather stripping around windows and doors is just as important as maintaining the caulk for keeping utility bills in check.

4. Check Your Crawl Space for Moisture.

Moisture in your crawlspace can turn into moisture in other parts of your home. Moisture in your home only causes trouble like mold and deterioration. Here's what you can do about it.

5. Reseal Your Deck.

Your deck should serve you for a long time. In order to make that happen, you should check the sealant to make sure moisture does not get into the wood. If the sealant is not doing its job, then you should reseal your deck.

6. Touch Up Exterior Paint.

Your exterior paint does not just keep up your home's curb appeal. It also acts as a moisture barrier. If you notice peeling or chipping in your exterior paint, give it a touch-up as soon as possible. You could also consider pressure washing your home prior to painting.

7. Make Sure the HVAC is Serviced Regularly.

You should have your HVAC system serviced at least once a year to keep it running at peak performance.

8. Check the Bathroom Caulk.

The caulk in your bathroom helps to create a watertight seal. You should find it around fixtures like the bathtub and toilet. Maintaining it will prevent water damage and costly repairs.

9. Clean you're Gutters.

Your gutters help to direct water away from your home. This is one more step in keeping your home moisture-free.

10. Seal Your Driveway.

As the ground expands and contracts with the freezing and thawing of the seasons, so too does your pavement. Cracks in your driveway will give weeds an opportunity to take root and destroy your pavement. Sealing the driveway will stop weeds before they start.

11. Clean you're Garbage Disposal.

Food and debris get stuck at your disposal with regular use. As that food begins to decay, it can cause an unpleasant aroma. Cleaning it will help to eliminate the stink.

12. Visit Your Attic.

Visiting your attic from time to time can ensure that everything is functioning as it should up there. It is better to find out about leaks sooner rather than later.

13. Insulate Water Heater and Pipes.

Insulating your water heater and hot water pipes will help to cut down on energy costs.

14. Install a Programmable Thermostat.

Heating and cooling your home only when you are there will cut down dramatically on your bills. Having a programmable thermostat will help.

15. Flush Your Water Heater.

Because sediment can build up in your water heater and wreak havoc, it is important to flush it regularly. Here's how.

16. Clean You're Refrigerator Coils.

Cleaning your refrigerator's coils will keep it running more efficiently and can extend its life.

17. Clean Your Dryer Vent.

Lint can clog up your dryer and prevent it from working properly. To keep things running smoothly, it is important to clean your dryer vent.

18. Extend Your Downspout.

Your downspout is a part of your gutter system. It helps to direct water away from your house. If it is not long enough to get water away from your house, then it is useless.

19. Check Your Smoke Detectors.

Smoke detectors are your first line of defense in dealing with a fire. If they do not work, your best-case scenario is losing your home. Worst case: you could lose your family, too. Make sure that they are well maintained.

20. Make Sure You Know Where Utility Shut-Offs Are Located.

In the case of an emergency, you may need to know how to turn off the water, gas, or electric supply to your house. It is a good idea to know where those shut-offs are located and how they work.

Tips for First-Time Home Buyers

1. Start saving early

Here are the main costs to consider when saving for a home:

Down payment: Your down payment requirement will depend on the type of mortgage you choose and the lender. Some conventional loans aimed at first-time homebuyers with excellent credit allow as little as 3% down. But even a small down payment can be challenging to save. For example, a 3% down payment on a \$300,000 home is \$9,000. Use a down payment calculator to decide a goal, and then set up automatic transfers from checking to savings to get started.

Closing costs: These are the fees and expenses you pay to finalize your mortgage, and they typically range from 2% to 5% of the loan amount. You can ask the seller to pay a portion of your closing costs, and you can save on some expenses, such as home inspections, by shopping around.

Move-in expenses: You'll need some cash after the home purchase. Set some money aside for immediate home repairs, upgrades, and furnishings.

2. Decide how much home you can afford

Figure out how much you can safely spend on a house before starting to shop. Nerd Wallet's home affordability calculator can help with setting a price range based on your income, debt, down payment, credit score, and where you plan to live.

3. Check and strengthen your credit

Your credit score will determine whether you qualify for a mortgage and affect the interest rate lenders will offer. Take these steps to strengthen your credit score to buy a house:

Get free copies of your credit reports from each of the three credit bureaus Experian, Equifax, and Transunion and dispute any errors that could hurt your score.

Pay all your bills on time, and keep your credit card balances as low as possible.

Keep current credit cards open. Closing a card will increase the portion of available credit you use, which can lower your score.

Track your credit score. Nerd Wallet offers a free credit score that updates weekly.

Mortgage selection tips

4. Explore mortgage options

A variety of mortgages are available with varying down payments and eligibility requirements. Here are the main categories:

Conventional mortgages are not guaranteed by the government. Some conventional loans targeted at first-time buyers require as little as 3% down.

FHA loans are insured by the Federal Housing Administration and allow down payments as low as 3.5%.

USDA loans are guaranteed by the U.S. Department of Agriculture. They are for rural homebuyers and usually require no down payment.

VA loans are guaranteed by the Department of Veterans Affairs. They are for current and veteran military service members and usually require no down payment.

You also have options when it comes to the mortgage term. Most homebuyers opt for a 30-year fixed-rate mortgage, which is paid off in 30 years and has an interest rate that stays the same. A 15-year loan typically has a lower interest rate than a 30-year mortgage, but the monthly payments are larger.

5. Research first-time homebuyer assistance programs

Many states and some cities and counties offer first-time homebuyer programs, which often combine low-interest-rate mortgages with down payment assistance and closing cost assistance. Tax credits are also available through some first-time homebuyer programs.

6. Compare mortgage rates and fees

The Consumer Financial Protection Bureau recommends requesting loan estimates for the same type of mortgage from multiple lenders to compare the costs, including interest rates and possible origination fees.

Lenders may offer the opportunity to buy discount points, which are fees the borrower pays upfront to lower the interest rate. Buying points can make sense if you have the money on hand and plan to stay in the home for a long time. Use a discount points calculator to decide.

7. Get a preapproval letter

A mortgage preapproval is a lender's offer to loan you a certain amount under specific terms. Having a preapproval letter shows home sellers and real estate agents that you're a serious buyer and can give you an edge over home shoppers who haven't taken this step yet.

Apply for preapproval when you're ready to start home shopping. A lender will pull your credit and review documents to verify your income, assets, and debt. Applying for a

preapproval from more than one lender to shop rates shouldn't hurt your credit score as long as you apply for them within a limited time frame, such as 30 days.

8. Choose a real estate agent carefully

A good real estate agent will scour the market for homes that meet your needs and guide you through the negotiation and closing process. Get agent referrals from other recent home buyers Interview at least a few agents and request references. When speaking with potential agents, ask about their experience helping first-time homebuyers in your market and how they plan to help you find a home.

9. Pick the right type of house and neighborhood

Weigh the pros and cons of different types of homes, given your lifestyle and budget. A condominium or townhome may be more affordable than a single-family home, but shared walls with neighbors will mean less privacy. Don't forget to budget for homeowner's association fees when shopping for condos and townhomes or houses in planned or gated communities.

Another option to consider is buying a fixer-upper a single-family home in need of updates or repairs. Fixer-uppers usually sell for less per square foot than move-in-ready homes. However, you may need to budget extra for repairs and remodeling. Renovation mortgages finance both the home price and the cost of improvements in one loan.

Think about your long-term needs and whether a starter home or forever home will meet them best. If you plan to start or expand your family, it may make sense to buy a home with extra room to grow.

Check out potential neighborhoods thoroughly. Choose one with amenities that are important to you, and test out the commute to work during rush hour.

10. Stick to your budget

A lender may offer to loan you more than what is comfortably affordable, or you may feel pressure to spend outside your comfort zone to beat another buyer's offer. To avoid financial stress down the road, set a price range based on your budget, and then stick to it.

Look at properties below your price limit to give some wiggle room for bidding in a competitive market.

11. Make the most of open houses

Online 3D home tours have become more popular amid the COVID-19 pandemic. These tours let shoppers virtually walk through a home at any hour and observe details that regular photos don't catch. They don't supply all the information in-person visits do — like how the carpets smell — but they can help you narrow the list of properties to visit.

Open your senses when touring homes in person. Listen for noise, pay attention to any odors and look at the overall condition of the home inside and out. Ask about the type and age of the electrical and plumbing systems and the roof.

12. Pay for a home inspection

A home inspection is a thorough assessment of the structure and mechanical systems. Professional inspectors look for potential problems, so you can make an informed decision about buying the property. Here are some things to keep in mind:

Standard inspections don't test for things like radon, mold, or pests. Understand what's included in the inspection and what other inspections you might need.

Make sure the inspector can get to every part of the house, such as the roof and any crawl spaces.

Traditionally the buyer attends the inspection. By following the inspector around, you can get a better understanding of the home and ask questions on the spot. If you can't attend the inspection, review the inspector's report carefully and ask about anything that's unclear.

13. Negotiate with the seller

You may be able to save money by asking the seller to pay for repairs in advance or lower the price to cover the cost of repairs you'll have to make later. You may also ask

the seller to pay some of the closing costs. But keep in mind that lenders may limit the portion of closing costs the seller can pay.

Your negotiating power will depend on the local market. It's tougher to drive a hard bargain when there are more buyers than homes for sale. Work with your real estate agent to understand the local market and strategize accordingly.

14. Buy adequate home insurance

Your lender will require you to buy homeowners insurance before closing the deal. Home insurance covers the cost to repair or replace your home and belongings if they're damaged by an incident covered in the policy. It also provides liability insurance if you're held responsible for an injury or accident. Buy enough home insurance to cover the cost of rebuilding the home if it's destroyed.

How Long Does It Take to Buy a House?

There are three key elements that you'll want to have in place before you make an offer on the house.

The first is a mortgage preapproval from at least one lender. Ideally, you should get preapproved before you start looking at houses. It can be time-consuming to pull together all the required documents, but most importantly, a preapproval lets you know how much house you can afford. Having a preapproval in hand also lets the seller know that you're serious and provides reassurance that the deal will close. That can be extra helpful in a scenario where the seller is in a hurry to move.

Second, know your market to ensure you're making a competitive offer. This can be based on comparable sales, other market information from your own research, or a comparative market analysis provided by your real estate agent. You'll probably want to make an offer that's for slightly less than your preapproval amount, which leaves room to negotiate.

What's included in an offer letter

It may be called an “offer letter,” but this legally binding document is much more than a simple letter. There are many states and sometimes local laws that guide the offer process, so you’ll want to cover all the bases by using a legally approved form. An offer letter can also be referred to as a “purchase offer,” a “binder,” or a “contract to purchase.” Knowing what term your real estate agent uses will help ensure you're on the same page when you're ready to make an offer.

If your real estate agent creates the offer letter, they will generally use a Residential Purchase Agreement that complies with applicable state and local laws. That agreement is then customized to suit your needs.

In some states, it’s required for a real estate lawyer to prepare, or at least review, the written offer. Even if it’s not mandated, it’s a good thing to consider — this is too big a purchase to leave out important details or required language that might torpedo your deal. Having an attorney on your side of the transaction may be worth the added cost.

A written offer may contain these elements, among others:

Address: The home's legal address and sometimes the legal property description.

Price: Details regarding the purchase price and terms.

Earnest money: The amount and terms regarding the earnest money, including its disposition upon the acceptance of the offer.

Title: A stipulation that the seller will provide clear title to the property.

Closing costs: Details regarding which party will pay closing costs or other fees, as well as how certain taxes and expenses will be prorated between the buyer and the seller at closing. (Some lenders may cap the amount of seller participation in these expenses.)

The date and time of the offer’s expiration: In hot markets, this can be mere hours, but in most cases, it’s one or two days.

A projected loan closing date: This is typically 30 to 60 days, though how long your lender's underwriting process takes can be the deciding factor here.

Contingencies: Any contingencies that the deal is subject to (more on these in the next section).

Disclosures: Other state-required provisions or disclosures.

Sometimes buyers are encouraged to write a personal letter to accompany their offer, hoping to gain an emotional edge over competing buyers. Though these may seem harmless, so-called buyer love letters can contribute to housing discrimination. Additionally, it's important to know that this type of letter does not have any legal bearing on the transaction.

Common contingencies

Your written offer will likely include at least a couple of standard contingencies. These are things that need to happen before the sale can move forward. Common contingencies include

Final loan approval: In other words, you are getting the mortgage, often within a specified amount of time.

Home inspection: In addition to requiring that the property undergo a home inspection, this contingency may also specify how issues revealed during the inspection will be addressed (for example, if the seller will repair or provide a credit at closing) or if the inspection is for informational purposes only.

Appraisal: Lenders generally insist on verification of the home's value via an appraisal, as they don't want to lend you more than the property is worth.

Home sale: This is a less common contingency that means the purchase relies on the completion of another separate transaction. This is usually either the sale of your current home or the seller finding a new home.

Although you have to protect your interests and gather enough information to make a wise purchase, contingencies may act as roadblocks to getting a deal done — especially

in hot markets. It's best for both the buyer and the seller to put only enough stipulations in the contract to cover the necessary bases, no more.

Dealing with seller disclosures

Seller disclosures, on the other hand, are usually required by law. Sellers are supposed to disclose whether they're aware of certain types of issues regarding the property that may affect its value, such as natural hazards, structural problems, or other substantial defects. However, states differ in the types and amount of information that sellers must disclose; and sellers are not necessarily aware of every potential problem that a property may have.

Disclosures may also document details like homeowner association obligations and which appliances and fixtures convey with the purchase.

Your offer should establish a time frame for receiving all required disclosures from the seller. The purchase offer should also address the number of days you have to review the disclosures, as well as your ability to modify or withdraw your offer based on these disclosures.

Putting cash on the line

When you make an offer, in most cases, you'll be required to submit a deposit — called earnest money — that a neutral party, such as an escrow agent or real estate title company will hold in escrow as good-faith money. This may be anywhere between 1% and 3% of the total purchase price.

Your offer letter should detail under what circumstances you'd have to forfeit the money (for example, in the event you back out of the deal without a reason that's allowed under the purchase agreement) and when you'd get it back. If the deal collapses because of something the seller does (such as dropping you in favor of a higher offer after the purchase agreement is signed), the deposit should be returned to you. If the deal goes through without a problem, the earnest money should be applied to your down payment.

After you make an offer on a house

No matter how excited you are about the prospect of your new place, at this stage of the process, you have to be prepared to negotiate or potentially even walk away if the terms aren't right for you.

Once the seller reviews your offer, they may accept, counter or decline it.

If it's accepted, you'll apply for a mortgage and begin the closing process.

If the seller makes a counteroffer, you can either accept it and begin the closing process or make your own counteroffer (in the form of a new offer letter).

How to Save Money for a House: Steps to Get Moving

Saving enough money to buy a house might seem like scaling Mount Everest, but don't let that stop you from taking the first steps. Once you get moving, you might find the peak more accessible than you expected.

Here's how to do the climb:

1. Set goals to save for a house

Decide on a total money target and a deadline for getting there. Here are the main things you'll need to save for:

The down payment. This is the upfront cash that a borrower pays when getting a mortgage to buy a home. Down payment requirements vary by mortgage type and by the lender. Some may be as low as 3%. A down payment calculator can help you determine an amount to save.

Closing costs. These are the fees you pay to finalize a mortgage and are typically about 2% to 5% of the loan amount.

Moving and other expenses after you buy the home. Even if the house is in turnkey condition, you may find yourself making a surprising number of trips to hardware and home furnishing stores.

2. Scour your budget for ways to save

You don't have to give up lattes — the cost of a coffee or two a week won't finance a home anyway. But minimizing other expenses may help you save for a house faster. Here are a few places to look:

Compare car insurance rates to get the best deal.

Find out if you can save by bundling your cable and internet services or changing your cell phone plan.

Refinance your student loans or auto loan to lower the monthly payments.

Cancel subscriptions you're not using.

To find other ways to reduce expenses, track your spending for a month to see where your cash goes.

3. Automate and maximize savings

Set up automatic transfers from your checking to savings accounts, so the money is out of reach for immediate spending.

The stock market is too volatile for short-term savings less than ten years so when saving for a house, keep your money in a high-yield savings account, a money market account, or certificates of deposit instead.

The CDs should be timed to mature just before you want to buy a house. Maximize your savings by getting the highest interest rates possible

4. Save raises and windfalls

Transfer tax refunds, bonuses, raises, and any other financial windfalls to savings before you get a chance to spend them. These will boost both your savings and motivation and may soon put homeownership within sight.

5. Earn some extra money

Look for ways to make some extra cash when saving up for a house, such as doing freelance work online, making deliveries, or trading in old phones and electronics.

Just beware of scam "opportunities" that ask for upfront money or financial information. Check out any companies before hopping on board, and avoid side hustle tax traps.

5. Track your progress and keep going

Check your savings progress at least every month. Nerd Wallet's free app can help. Slow and steady progress is worth celebrating. Post a savings chart on the refrigerator or photos of your dream home to keep you inspired.

How to Save Money: 17 Proven Ways

1. Use an automated tool

Find an app or bank account that takes the work out of saving. Digit and Capital both automatically transfer small amounts from your checking account to a separate savings account. Learn about apps that automate savings for you.

2. Count your coins and bills

Empty your pockets each day and start collecting that extra change. Then take your collection to the bank and put it directly into your savings account instead of your checking account. When you want to watch your spending, use dollar bills instead of credit cards. It's harder to part with cold, hard cash.

3. Prep for grocery shopping

A little work before you go to the grocery store can go a long way to help you save money on groceries. Check your pantry and make a grocery list to avoid impulse buying something you don't need, and then use coupons and loyalty programs to maximize your savings as you shop.

5. Order smaller servings at restaurants

Opt for appetizers or split an entree with your dining companion to save money when you eat out.

6. Map out major purchases

Time your purchase of appliances, furniture, electronics, and more according to annual sale periods. Don't buy anything hastily, either. Always wait a day or two before buying to limit buyer's remorse.

7. Restrict online shopping

Make it more difficult to shop online. Instead of saving your billing information, force yourself to input your shipping address and credit card number each time you order. You'll probably make fewer impulse purchases.

8. Make your own gifts

Go the DIY route or save money with affordable gift ideas, like herb gardens and gift baskets.

9. Lower your car payment

Refinancing your auto loan and taking advantage of lower interest rates could save you considerably over the life of your loan.

10. Bundle cable and internet

You could lower your cable bill by as much as \$40 per month by changing your cable package. And you could save more than \$1,000 over two years by bundling your cable and internet service, depending on your carrier.

11. Switch your cell phone plan

Changing your plan is one way to save money on your cell phone bill, but it's not the only way. Removing insurance from your plan could save you nearly \$100 per year per line.

12. Monitor your electric bill

Big and small changes in your energy usage can help you save hundreds annually on your electric bill.

13. Lower your student loan payments

Income-driven repayment plans can lower your monthly student loan payments by several hundred dollars each month.

14. Cancel unnecessary subscriptions

Uncheck the auto-renew option on any subscriptions you aren't using regularly, such as subscription boxes or streaming services.

15. Track spending

Keep track of your monthly cash flow — your income minus your expenditures. This will also make it easier to mark progress toward your saving goal. Try a budget app that tracks your spending. (Nerd Wallet has a free app that does just that.) Or you can follow these five steps to help you track your monthly expenses.

16. Refinance your mortgage

Refinancing your mortgage to snag a lower interest rate can save you several hundred dollars each month. Use our mortgage refinance calculator to find out how much you could save.

17. Set savings goals

Set a specific but realistic goal. It may be “save \$5,000 in an individual retirement account this year” or “pay off my credit card debt faster.” Use a savings goal calculator to see how much you'd have to save each month or year from reaching your goal.

How to save money with a budget

One smart way to manage your money — and hopefully hold on to more of it — is to follow a budget.

At NerdWallet, we think about a budget as a spending plan because saving money doesn't mean you have to quit spending altogether. It just means you have to prioritize some financial goals over others.

We recommend the 50/30/20 budget for smart money management. Devote 50% of your income to necessities, 30% to wants, and 20% to savings. If you find one of your allocations exceeds these percentages, make some adjustments to fit the formula.

As you work toward your ultimate financial goal, make sure to put your newfound funds in a good high-yield savings account to maximize your money. Some of the best online accounts pay interest rates that are much higher than large traditional banks.

How to Find the Right Real Estate Agent for You

Real estate agent basics

Before you start looking, it's helpful to know what to expect from an agent and some of the terminologies you'll encounter.

What does a real estate agent do?

Real estate agents help people buy and sell homes. Agents educate their clients about current market conditions, guide them through each step of the process and make referrals to other professionals, such as home inspectors and real estate attorneys. Their particular titles depend on who they're representing in a real estate transaction.

A buyer's agent helps buyers find and shop listed homes, make competitive offers and negotiate with sellers.

A listing agent helps sellers price, list and market their homes, and negotiate with buyers.

In some cases, an agent can represent both sides in a single transaction, but it's best to have someone who's solely in your corner.

Realtor vs. real estate agent

Not every real estate agent is a Realtor. Realtors have licensed agents who are members of the National Association of Realtors. Members pledge to abide by the association's standards and code of ethics.

All real estate agents must be licensed in the states where they work and abide by national and state laws. Licensure requires agents to complete a certain amount of coursework and pass an exam. Check with your state's real estate commission website to find out if a particular agent is licensed.

Difference between a real estate agent and a broker

A real estate broker has gone a step beyond the agent level with additional training to get a real estate broker license. Like agents, brokers must complete state-required coursework and pass an exam to get licensed. A broker can oversee other real estate agents, work under a managing broker or operate independently.

The Property Line: 3D Home Tours Let Buyers Explore From Afar

As you browse homes for sale online, digital slideshows dish out equal helpings of information and frustration. Every photo frames what the seller wants you to see. Want to shift your gaze to the right and inspect that shower head? Tough.

But now, you can virtually walk inside a home and look up, down, left, and right with technology that functions like Google Street View for a home's interior. It's called a 3D home tour. It conveys more information than a slideshow and reduces the need for in-person showings.

3D home tours expand

Before the COVID-19 pandemic, 3D home tours gave home sellers a cool way to make their listings stand out. But with the emergence of the disease, sellers felt uncomfortable allowing strangers into their homes, where they could spread coronavirus. Homebuyers worried about their health, too. Suddenly 3D home tours were perceived as a safety feature. March saw a jump in the creation of 3D tours, and they attracted more online visitors.

3D home tours are still a novelty, but buyers will come to expect them in online listings. That evolution might happen quickly: Despite stay-at-home orders, buyers have remained on the hunt, and sellers offering 3D tours find enthusiastic audiences.

Types of Home Inspections Buyers Should Know

What is included in a home inspection?

Home inspectors typically conduct a visual inspection of all parts of the property that are readily accessible. That leaves out anything that's not easily viewed (or even visible), like some types of pest infestation, as well as any areas that are hard to safely reach (think wells and chimney interiors).

Parts of the home that are commonly included in a home inspection:

Structural components (floors, walls, ceilings, stairs).

Exterior components (siding, attached decks, porches).

- Roof.
- Plumbing.
- Heating and air conditioning.
- Major appliances.
- Ventilation.
- Insulation.
- Fireplaces and wood stoves.
- Windows and doors.

The Home Inspection: Do's and Don'ts for Home Buyers

It's in your best interest to choose a home inspector with care. Your real estate agent may recommend an inspector, or the seller might offer to show you a report from a home inspection they've had done. To avoid any conflict of interest and to get the most objective information on the home's condition, you'll want an independent home inspector. And because things move quickly after an offer is accepted, you may even want to research inspectors while you're house hunting.

Certain professional organizations can be a shortcut to finding a qualified home inspector. (Not all states require home inspectors to hold licenses.) For example, the American Society of Home Inspectors requires members to perform more than 250 inspections and pass the National Home Inspector Examination to be eligible for membership.

Do get a home inspection for new construction.

Even if you're buying new construction, a home inspection should still be on your to-do list. A home inspector may evaluate a home differently than a county or municipal inspector, whose job is to determine whether new construction complies with building codes. At a bare minimum, a home inspector is a new set of eyes double-checking that there aren't any loose ends (or unconnected ducts).

Do be there for the home inspection.

It's recommended that buyers be present during the home inspection. Following the inspector from room to room will allow you to ask questions as they go. That will help you better understand the inspection report — which can feel pretty intense, especially if you're a first-time homebuyer.

Don't get in the home inspector's way.

While you're encouraged to tag along and ask questions, don't impede the home inspector. You should also stick with them rather than heading off to other parts of the house. For example, if they're checking the bathroom water pressure and you start running the kitchen sink, it could mess with the results.

Don't be afraid to negotiate with the seller.

You shouldn't expect the seller to take care of every last item in an inspection report — a thorough home inspection can easily list dozens of separate defects — but you may want to negotiate the cost of major repairs that were not included in the seller's disclosure.

To keep from handing over a too-lengthy list, skip anything that could be considered normal wear and tear or cosmetic. And if you already have plans to renovate, it's not worth haggling over minor repairs.

If larger issues do pop up, you can ask the seller to fix them before you move in. You may want to request a reinspection before closing or to see proof (think receipts) that professionals did the work.

Alternatively, you can request a credit from the seller or negotiate a reduced sale price. Though finding someone to make the repairs after you move in is more work for you, it may be the better arrangement, as you won't hold up the sale, and you'll get to hire any contractors yourself.

Don't assume the home inspector can be held liable

A home inspector's chief concern is safety, but the home inspector isn't your keeper. Some inspection contracts won't give you much assurance in case of undiscovered problems; your home inspector might offer a limited warranty.

The inspector's responsibilities are delineated in their contract, limiting their legal liability. An arbitration clause, for example, would hamper your ability to file a lawsuit in case of disaster. Even if you were able to file a suit, there are sometimes additional clauses that limit how much you'd receive as compensation — you might only recover the cost of the inspection.

Your agent can help you with this part. They should provide you with a list of utility companies, account numbers for the previous owners, and phone numbers to call to get everything switched over. Make sure to do this before you move in, or you could be unpleasantly surprised!