

Practical Tips for the First-Time Home Buyer

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The decision to go from renter to homeowner is a big one. When you own your own home there are a lot of responsibilities, but there are also a lot of benefits.

Buying a home for the first time can be intimidating. The reason it's daunting is because, for most individuals, it's the single largest purchase they're ever going to make.

To ease your fears and ensure you make the best choices, there are some things that every first-time home buyer ought to know.

Follow this advice to ensure your home buying experience is successful:

1. Determine what you'll be able to afford. Before you start house hunting, figure out exactly how much you can afford to spend.

- Make a budget by taking your monthly income and then subtracting all of your monthly expenses. This will tell you how much you can afford to spend on your mortgage payments.
- *As a general rule of thumb, it's recommended that you spend no more than 28% of your income on housing costs.*

2. Determine what your monthly housing costs will be. Your monthly housing costs won't just include your mortgage payments, but also your property taxes and homeowner's insurance.

- To figure out what your mortgage payments will be, you can get preapproved for a loan. The lender will be able to tell you what the interest rate on your loan will be and what the monthly payments will come out to.
- ***Before you buy a house, you can ask what the current property taxes are, so you have an idea.*** Sometimes, your property taxes are added on to your mortgage payment.
- To figure out how much you might have to spend on homeowner's insurance, you can contact different insurance providers for quotes. Shop around for the best rates!

3. Get in touch with a real estate agent. After you've done your homework, it's a good idea to use a realtor to help you find the perfect house. If you decide to go house hunting on your own without a realtor, you'll be limiting your options.

- ***A realtor can quickly and easily look up all of the properties that are available in a particular geographical area and price range.***
- They can also get you in to see vacant homes which you're unable to do on your own.
- A realtor will also help you navigate through the mountain of paperwork that has to be filled out when purchasing a home.

Keep These Tips in Mind While House Hunting

1. Location is key! Let your realtor know what's important to you and they'll show you houses in a fitting location.

- If you have health concerns, you may want to buy a house near a hospital or your doctor. You're probably looking for a house near a school if you have young children. Perhaps you want to be near restaurants and shopping. ***Figure out your location needs and communicate them.***

2. Bring a digital camera and a notepad. It's important to gather information about each house, so you can go back and review it later. You want to be sure of your choice before buying a house.

- Make notes about each house you visit, jotting down the things you like or don't like. You can even rate each house on a scale of 1 to 10.
- With a digital camera, you can take lots of pictures of the houses you look at. This will help you remember some details after a long day of house hunting.
- After looking at a number of homes, go back to your top choices for a second look.

At this point you're ready to make an offer to buy your first house. Your real estate agent will give you some advice about how much to offer, and then they'll deliver your offer to the listing agent. If all goes well, it won't be long until you're moving into your first home.