

Five Traps to Avoid When Buying a Home

DON'T GET TRAPPED BY THESE COMMON MISTAKES!

1

HOUSE SHOPPING BEFORE A SOLID MORTGAGE APPROVAL.

Record-low housing inventory in today's market means that you'll likely be competing with multiple offers when you find a home. Getting a solid mortgage approval BEFORE you start house shopping allows you to make a stronger offer when you find a home you like. This places you in a much better negotiating position, and it's crucial in today's market.

2

NOT CONSIDERING THE COSTS OF SALE.

When you sell your house in the future, you will most likely need to sell the house for at least 8% - 10% more than what you paid for it just to break even and cover the real estate commissions and transfer taxes on the sale. If your house goes up in value by the long-term average of 3% per year, you would likely break even in 2-3 years. That's why it's important to make sure that buying this home is part of a longer-term strategy.

3

OVERLOOKING THE COSTS OF IMPROVEMENTS, UTILITIES, AND MAINTENANCE.

Have you considered the costs of improvements, utilities, and ongoing maintenance expenses? It's important to:

- Get your home properly inspected before the closing
- Investigate the cost of utilities and make sure to budget for them
- Budget 1%-2% of the home's value for annual maintenance expenses.

4

USING THE WRONG DOWN PAYMENT STRATEGY.

A study conducted by the Federal Reserve shows that a home buyer's down payment strategy is eight times more impactful on housing affordability than the mortgage interest rate. That's why it's important to consider your down payment options carefully.

5

SHOPPING FOR A MORTGAGE vs. SHOPPING FOR THE RIGHT MORTGAGE PROFESSIONAL.

As you can see, the right mortgage professional can help you consider things that you may otherwise overlook during the home-buying process. That's why it's important to work with a qualified mortgage professional when considering your options.

Contact me
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Your mortgage is most likely your single largest debt, and your home is most likely your single largest investment. The best way to avoid traps is to work with the right mortgage professional. Contact me so we can get started!

Source: **Momentifi**

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