

## 10 Tips for First-Time Homebuyers

1. **Be picky, but don't be unrealistic.** There is no perfect home.
2. **Do your homework before you start looking.** Decide specifically what features you want in a home and which are most important to you.
3. **Get your finances in order.** Review your credit report and be sure you have enough money to cover your downpayment and your closing costs.
4. **Don't wait to get a loan.** Talk to a lender and get prequalified for a mortgage before you start looking.
5. **Don't ask too many people for opinions.** It will drive you crazy. Select one or two people to turn to if you feel you need a second opinion.
6. **Decide when you could move.** When is your lease up? Are you allowed to sublet? How tight is the rental market in your area?
7. **Think long-term.** Are you looking for a starter house with the idea of moving up in a few years or do you hope to stay in this home longer? This decision may dictate what type of home you'll buy as well as the type of mortgage terms that suit you best.
8. **Don't let yourself be "house poor".** If you max yourself out to buy the biggest home you can afford, you'll have no money left for maintenance or decoration or to save money for other financial goals.
9. **Don't be naïve.** Insist on a home inspection and, if possible, get a warranty from the seller to cover defects within one year.
10. **Get help.** Consider hiring a REALTOR<sup>®</sup> as a buyer's representative. Unlike a listing agent, whose first duty is to the seller, a buyer's representative is working only for you. And often, buyer's reps are paid out of the seller's commission payment.

## 10 Things to Take the Trauma Out of Homebuying

1. Find a real estate professional who's simpatico. Homebuying is not only a big financial commitment, but also an emotional one. It's critical that the practitioner you choose is both skilled and a good fit with your personality.
2. Remember, there's no "right" time to buy, any more than there's a right time to sell. If you find a home now, don't try to second-guess the interest rates or the housing market by waiting. Changes don't usually occur fast enough to make that much difference in price, and a good home won't stay on the market long.
3. Don't ask for too many opinions. It's natural to want reassurance for such a big decision, but too many ideas will make it much harder to make a decision.
4. Accept that no house is ever perfect. Focus in on the things that are most important to you and let the minor ones go.
5. Don't try to be a killer negotiator. Negotiation is definitely a part of the real estate process, but trying to "win" by getting an extra-low price may lose you the home you love.
6. Remember your home doesn't exist in a vacuum. Don't get so caught up in the physical aspects of the house itself—room size, kitchen—that you forget such issues as amenities, noise level, etc., that have a big impact on what it's like to live in your new home.
7. Don't wait until you've found a home and made an offer to get approved for a mortgage, investigate insurance availability, and consider a schedule for moving. Presenting an offer contingent on a lot of unresolved issues will make your bid much less attractive to sellers.
8. Factor in maintenance and repair costs in your post-homebuying budget. Even if you buy a new home, there will be some costs. Don't leave yourself short and let your home deteriorate.
9. Accept that a little buyer's remorse is inevitable and will probably pass. Buying a home, especially for the first time, is a big commitment, but it also yields big benefits.
10. Choose a home first because you love it; then think about appreciation. While U.S. homes have appreciated an average of 5.4 percent annually from 1998 to 2002, a home's most important role is as a comfortable, safe place to live.