

## Purchasing a House

For most people, buying a home is one of the most important decisions of their lives. The decision is not usually an easy one. But, trends in home prices and mortgage rates, combined with the tax advantages of home ownership, make this an excellent time to turn the home of your dreams into a reality.

Find out if you are ready to buy a house?

You can find out by asking yourself some questions:

- Do you have a steady source of income (usually a job)?
  - Have you been employed on a regular basis for the last 2-3 years?
  - Is your current income reliable?
  - Do you have a good record of paying your bills?
  - Do you have few outstanding long-term debts, like car payments?
  - Do you have money saved for a down payment?
  - Do you have the ability to pay a mortgage every month, plus additional costs?
  - If you can answer, "yes" to these questions, you are probably ready to buy your own home.
- Once you decided to buy house you need to get pre-approved.

- Get pre-approval- You can call me or email me so that I can help you to get pre-approved.
- Getting pre-approved will you save yourself the grief of looking at houses you can't afford and put you in a better position to make a serious offer once you find the right house. Pre-approval from a lender is based on your actual income, debt and credit history. Do not confuse with pre-approval with pre-qualification, which is based on a cursory review of your finances.
- Make sure that you will stay in the house for a long time.
- If you can't commit to remaining in one place for at least a few years, then owning is probably not for you, at least not yet. With the transaction costs of buying and selling a home, you may end up losing money if you sell any sooner.
- Aim to buy a home you can really afford.
- The rule of thumb is that you can buy housing that runs about two-and-one-half times your annual salary. But you'll do better to use one of many calculators available online to get a better handle on how your income, debts, and expenses affect what you can afford.
- Don't worry if you can't put down the usual 20 percent.
- There are a variety of public and private lenders who, if you qualify, offer low-interest mortgages that require a down payment as small as 3 percent of the purchase price.
- Buy in a district with good schools.
- In most areas, this advice applies even if you don't have school-age children. Reason: When it comes time to sell, you'll learn that strong school districts are a top priority for many homebuyers, thus helping to boost property values.
- Get professional help.
- Even though the Internet gives buyers unprecedented access to home listings, most new buyers (and many more experienced ones) are better off using a professional agent. Look for an exclusive buyer agent, if possible, who will have your interests at heart and can help you with strategies during the bidding process.
- Choose carefully between points and rate.
- When picking a mortgage, you usually have the option of paying additional points -- a portion of the interest that you pay at closing -- in exchange for a lower interest rate. If you stay in the house for a long time - say five to seven years or more -- it's usually a better deal to take the points. The lower interest rate will save you more in the long run.
- Bidding advise.
- Your opening bid should be based on the sales trend of similar homes in the neighborhood. So before making it, consider sales of similar homes in the last three months. If homes have recently sold at 5 percent less than the asking price, you should make a bid that's about eight to 10 percent lower than what the seller is asking.