

Before You Shop For a Home

Establish family priorities

Initiate housing priority discussion with all-family members before beginning to house-hunt.

Start with a thorough and realistic discussion of family requirements, the “Needs & Wants Checklist”. Include every member of the family in the discussion, especially the kids, as their needs and requirements are likely to grow or change more than those of the adults or parents.

Establish the price range and mortgage for which you qualify by contacting our Finance Officer if you have not already done so.

Consider how long you expect to live in your new home? Will you be living in this home for 5 years, 10 years, or until you retire?

Is the location convenient for all family members? Studies have shown that home purchases are too often based primarily on the number of bedrooms and baths, total square feet, or a new gourmet kitchen, without sufficient thought about the proximity of neighbors, schools, stores, or extracurricular activities important to all household members.

Anticipate potential changes in your family’s lifestyle and size

- How soon will your children be going off to college.
- Will your parents or grandparents be moving in?
- Don’t forget job changes and the need for a home office.
- How about adequate closets for clothes, seasonal storage, sports, games, hobbies, and valuables.
- **Select a competent, experienced REALTOR®.** If you plan to move to a new or existing community, one of the members of my team can advise you on every step of the move.

Define individual priorities

- Identify privacy needs of each family member and preview homes accordingly. Some children may enjoy sharing a room when very young but resent having to share as adolescents.
- What sports, hobbies, activities of family members require allocated space inside or outside the home? Why settle on a house that requires considerable time, expense, and effort to maintain if most of your free time is spent away from the home and/or time and money to do both are not available?

Identify monetary priorities

Expect some anxiety. It's normal whether you are first-time buyers or veterans of many moves. Most home buyer's anxiety tends to focus on money issues, including the three primary issues of:

1. How do we qualify for an adequate mortgage, and at what rate?
2. How large will the monthly mortgage payment be?
3. How much do we have to have for a down payment?

Many lenders will loan part or all of the down payment depending on your financial statement, including your total annual family income, investments, total long-term debt, and a satisfactory credit report. Avoid "qualification anxiety" and quantify your monthly mortgage payments in advance. Establish what, if any, down payment you need.

If you expect any problems or "glitches" in your credit report, talk with your lender about the problem before it comes to light in the report. Your up-front honesty will help you gain the respect of the lender and to build trust that you will be responsible in paying off the loan.

Recognize unique priorities

In reality, every home buyer has unique priorities. Unfortunately, many home buyers never take time to recognize and prioritize their unique needs and desires or answer their specific housing related questions. Here are some thoughts worth considering as you begin your search.

Purchase price and resale value:

Is the price of the home you want to buy too high relative to other neighboring homes?

Ask your Agent to assist you in determining the current Market Value. Does architectural style affect price? Most markets tend to value one or two architectural styles over others.

Tax consequences:

Are you downsizing or "down-pricing" to gain equity or reduce monthly expenses? If so, you may qualify to exclude up to \$500,000 in capital gains on the sale of your present home. The rules are complex so be sure to talk first with your Agent.

New construction versus a previously owned home:

It's largely a matter of personal preference. Recognize the realities of either preference, however. A newly built house will probably need landscaping, wall-to-wall carpeting and other amenities. On the other hand, mechanical systems, roofing, appliances will be new. Often, the decision comes down to the family's preference for new construction vs. an established neighborhood, or less building maintenance but more outside work in landscaping or gardening.

If you are not handy with tools, think twice about buying a "fixer-upper" with loads of charm, needing TLC and constant maintenance and capital investment.

Size, number of bedrooms and "public" spaces:

The size question prompts a host of additional questions and answers. For example, is your family's life centered around the home or on other, out-of-home activities (golf, sailing, kid's sports, and work)? How much time (or money) do you want to invest in maintenance? How often do you use the public spaces for entertainment?

If you are "empty-nesters", ask yourselves "how much house do you really need" and, "how much house will you be willing to maintain in 5 years? In 10 years?"

How many bedrooms should the home have?

Married, childless, or neither, a spare bedroom comes in handy. Obviously it can accommodate friends or family who come to visit; but the extra bedroom can also double as an effective home office, or quiet room for reading or contemplation. When resale time arrives, the extra space will be an added value to potential buyers.

Schools, community activities and investing:

How can I obtain accurate information on the quality of schools in the community to which I am moving?

Start by asking your REALTOR or relocation specialist about schools in the community. Most states grade schools in comparably sized communities by many criteria and such data are available. Make appointments to visit each school your children will attend. Talk with school administrators and ask to meet teachers. Take a proactive role in evaluating the quality of education at each school.