

## 10 Ways to Avoid Home Buyer Mistakes

It's an exhilarating experience to buy a home. If you're a first time home buyer, you are going through the process without any experience. Going through the home buying process for the first time can be overwhelming. If you are upgrading to a new home, you want to make the process as painless as possible. Even so, buying a home is complicated; the process can be nerve-wracking and daunting. In the excitement of purchasing a property, it is easy to miss some critical points.

Here are 10 suggestions on how to avoid home buyer mistakes.

### 1. Be Forewarned and Forearmed

Expect the home buying experience to be a fun but complex process. As you're doing right now, do your research and due diligence at every step of the way. Systematically work through everything involved to reduce the risk of mistakes. You'll then know what to do, what to expect, and how to make your purchase go as smoothly as possible.

### 2. Get Mortgage Approval

Seek home loan pre-approval from Community Credit Union before you start house hunting. Assess the different types of mortgage options that Community Credit Union offers. That way you'll be able to start your house hunt only looking at properties within your price range. You will also be able to estimate your monthly mortgage payments.

### 3. Know Your Budget

Know from the outset what your budget is for all your living expenses. That is how much you need to live comfortably. Just the basics of life add up - food, clothing, utilities, and transportation. Remember that owning a home involves more than the mortgage payments. You will also have to factor in property taxes, insurances, and regular maintenance. If you are buying in a condominium complex, you may also have home owner association fees.

### 4. Calculate Your One-Off Extra Expenses

Have enough money set aside for the other initial costs involved with a home purchase. These include building inspections, appraisals, title searches, application fees, and attorney closing fees. You are making a significant investment and there are various add-on expenses.

### 5. Keep Your Finances Stable

After your new mortgage is pre-approved, keep your financial incomings and outgoings the same. Your lending institution will have factored these in their calculations of what they will lend you. Any change to your income or extra debts incurred may affect this when you close the deal.

### 6. Balance Your Wish List with Reality

It's important to keep your options open, but only view houses within your budget, style, and location. Looking at too many homes can become confusing. Having too many features on your wish list can become impossible to fulfill. See past the superficial – if the color on the walls is not your taste, you can easily repaint a room. Be prepared to compromise a little, but not too much. You want to end up with a house that's right for you.

#### 7. Beware of Falling for Something Wrong for You!

Maybe the real estate agent talks you into a property a little outside of your ideal location. It's going to cost you more to travel to and from work. Perhaps you fall in love with an older house that you hope to remodel. However, you underestimate the time and costs involved with renovating. Falling in love at first sight with a home is a wonderful thing, but take time to consider that it really is the one for you.

#### 8. Hire a Professional for a Home Inspection

Not hiring a professional to undertake a home inspection can be a costly mistake in the long term. A building inspection is an impartial check of the home's soundness. The report will highlight any areas needing immediate or future attention. A home inspection report can also be a powerful bargaining tool. Negotiate to reduce the selling price against immediate work required.

#### 9. Discuss and Negotiate – Don't be 'Sold'

Remember that a real estate agent is a salesperson, engaged by the seller of the property for the best price. Always discuss property features and negotiate the asking price. If you need to, a neutral person can do this for you such as a buyer's agent. Use an attorney to check your sales contract, including the fine print.

#### 10. Know the Neighborhood

Check out the entire neighborhood - how it is now and how it may be in the future. If you have children, check the schooling and educational opportunities to make sure they fit your needs. Are there any plans for new roads, zoning, and developments? Look for any changes that may affect your enjoyment of your property and its long-term value. Look over the back fence, talk to potential neighbors if you can before you decide to buy.