

# TIME TO BUY YOUR FIRST HOME



Spring is in the air! The days are longer and the weather is getting warmer. This is also the time of year the real estate market starts to heat up. Perhaps you've been thinking about buying a home. Your timing couldn't be better. Interest rates are low and available homes are plentiful. This could be your opportunity.. but first some ground work to cover before making the most important financial purchase of your life.

## IS BUYING A HOME RIGHT FOR YOU?

Many people harbor secret fears about buying a home, and some of those fears are justified. Not everybody is cut out to own a home, and if you're one of those people, it's better to find this out now here are some questions to ask yourself.

## HOW HEALTHY IS YOUR CREDIT REPORT?

If your credit score is below 620, you're not going to receive a good interest rate. Working with a qualified lender can clear up any confusion on where you stand with a simple phone call. How much do you make? How much do you owe? How punctual are you with paying your bills? This will give the lender a great gauge in determining the vitality of your credit worthiness.

## JOB INSTABILITY OR RELOCATION

The next question to ask yourself, how secure is your job? Is your company laying off? Could you be fired and, if so, how hard would it be to get another

job right away? Unemployment compensation is rarely enough to cover mortgage payments. Also important to your thought process, are you likely to be transferred to another city within the next two to three years? If you had to sell due to a job transfer, your property would need to appreciate enough to cover the cost of selling; otherwise, you would lose money on the sale. When you buy a home, you *should* plan to stay put for a while.

## MAINTENANCE ISSUES

All homes require upkeep and maintenance. Not everybody has the where-with-all, much less the desire, to tackle home repair projects. In addition, many first-time home buyers cannot afford to hire a professional to fix things that break. Experts suggest you set aside 5% of the purchase price to cover maintenance and repairs when you buy a home.

On the other side of the coin, there are many more benefits to buying. Keep these reasons in mind if you start to question your decision to buy. Having reservations is normal. The more you know about why you should buy a home, the less scary the entire process will appear to you. Here are some good reasons why you should buy a home.

## PRIDE OF OWNERSHIP

Pride of ownership is the number one reason why people yearn to own their home. It means you can paint

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the walls any color you desire, turn up the volume on your CD player, attach permanent fixtures and decorate your home according to your own taste. Home ownership gives you and your family a sense of stability and security. It's making an investment in your future.

### APPRECIATION

Although real estate moves in cycles, sometimes up, sometimes down, over the years, real estate historically is a good investment

### MORTGAGE INTEREST DEDUCTIONS

Home ownership is a superb tax shelter and our tax rates favor homeowners. As long as your mortgage balance is smaller than the price of your home. Mortgage interest is the largest component of your mortgage payment.

### MORTGAGE REDUCTION BUILDS EQUITY

Each month, part of your monthly payment is applied to the principal balance of your loan, which reduces your obligation.

### BEFORE BUYING A HOME, GET YOUR FINANCES IN ORDER

Line up your financing, set aside a down payment

and study the loan programs available. By doing your homework, you will know exactly how much you can pay and what it will cost you.

### PICK A REAL ESTATE AGENT TO HELP WITH BUYING A HOME

It may be helpful to talk with several real estate agents to get the right fit. A good agent can help you negotiate the best price, coordinate inspections, and should be available to you to walk through the process from contract to closing. There are lots of moving parts to most real estate transactions and skilled agents work many hours behind the scenes solving bumps in the road you may never know about. Most important, once you have made some of the important decisions about whether to buy and where to buy.. just have fun. Look around, opens lots of doors and ask lots of questions. It's great time to buy!

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