

Tips for First-Time Homebuyers

House Hunting

- Before you begin to house shop, you need to have an idea of what kind of neighborhood you want to live in and the style of house you want.
- Real estate never sleeps. If you're trying to buy a hot property, you have to move quickly, or you could possibly lose it.
- When you are looking at a house, you have to have a wish list, but you have to understand that no house is going to be perfect.
- Don't judge a book by its cover. Same goes for a house. Go inside and look around before making a decision.
- Properties in good shape are rare, and they don't stay on the market for long.
- When it comes to investing, the best place to invest is in an up-and-coming area.
- You have to see past the junk and see the potential. When you buy a house, it's not just a place to live in, it's an investment. Keep in mind your dollars down the road.
- Brand-new condos tend to be smaller, sometimes no larger than one bedroom, while older units typically have more square footage.
- You can't negotiate maintenance fees with a condo, and those fees tend to go up periodically.
- You don't necessarily want to buy in a building that has a high percentage of tenants because they don't take care of the property the way they would if they owned.
- If you're going to live in a city, you often have to sacrifice space.
- A middle-unit townhome is often less expensive than an end unit.
- Feelings often take over the first time you go through a house, but the second visit allows time to do a thorough inspection led by your head, not your heart.
- It is especially important to have a home inspection if you are looking to buy an aging or older house. They look past the visible surface to the infrastructure, inspecting plumbing and looking for faulty fixtures and waste lines. They check electrical systems to make sure they aren't overloaded or a safety hazard. They also look at possible structural problems like the foundation, walls and floor joists.
- Reality often outweighs fantasy when it comes to buying a home.

Financing

- It's great to have your financing in place before you look because houses are bought and sold overnight. You could lose your dream property waiting to secure the financing.

- The rule of thumb is that you should be able to afford a mortgage three times your income.
- Lenders subtract any debt payment from your income, so if you have a big debt, you have a lot less income -- and a lot less house.
- Don't forget to set aside money for closing costs when budgeting out what you can afford. It's typically 1-1/2 to 2 percent of the purchase price. That goes toward the land transfer tax and pays a lawyer.
- When you buy new, you have to put down 10 percent within six months or 15 percent within nine months. Also, until the place is registered, you can't get title. Until you get title, you can't place your mortgage, so during that time you're paying what's known as a phantom mortgage or an interim occupancy fee that goes toward nothing -- it's like rent.
- It's better to walk away if you're not comfortable with the situation.

Making an Offer

- When you're house shopping, you can't pull a number out of a hat. Find out what other homes in the area have sold for, how long ago the sale was and what amenities they have.
- It's the market that determines the value of a house.
- When figuring out the price of a property, sometimes it makes more sense to look at the price of a house in terms of monthly payments instead of focusing on that big number.
- When making an offer, you want to go as low as possible without insulting the sellers.
- What you want to pay for a house has nothing to do with the fair market value (an estimate of what a buyer would pay a seller for any piece of property). Also, what you can or cannot afford has nothing to do with the value of a house.
- Try not to fixate on the list price of a house, but rather the fair market value (an estimate of what a buyer would pay a seller for any piece of property).
- When a renovated house is priced low, it is a good indication that the owners are looking for a bidding war -- they want to get as much money as possible out of the sale.
- Sometimes people think that by starting really low they'll end up with a better price on a house, but actually it usually works the opposite way.
- The three most important matters when it comes to negotiation are information, preparation and realism.
- When you buy a property, you should always have a home inspector come through. You never know what they're going to uncover, so don't crack the champagne just yet. If the home inspector should find something, then you can use it to your advantage to renegotiate the deal. Or you might have to walk away.
- The key to success when buying a home is to trust the experts.

Home Improvement and Resale

- For resale, curb appeal goes a long way. But make sure you don't over improve for the area. Some houses have a cap on them, which means it is only gonna be worth a certain amount no matter what the homeowners do to make improvements.
- Before you start renovating a condo, live there for a year to make sure you're doing the right thing.
- You can make changes to the inside of a condominium, with the proper condo board approval, but never to the exterior.
- A simple renovation after the sale can boost the value of the investment by thousands.
- The old adage holds true. If it ain't broke, don't fix it.
- When a house is empty, buyers can see the actual size of each room and can better visualize their things in them.
- Home staging is big business. It can add thousands of dollars to the selling price. An unstaged house that has not been properly prepared for sale will sell for much less than the asking price.

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