

Tips for First-Time Home Buyers

Thousands of people will pay rent in the Greater Calgary area every month and they know that money is gone for good, are you one of them? You don't have to be anymore. Just take that money and create an investment that lasts your whole life. For first-time home buyers, the market is very favorable with low mortgage rates and a wide selection of homes available at a reasonable price.

What kind of home do you need and want?

When buying a home, you have to take a few things into account like location, income, lifestyle and family size. REALTORS® are great at helping you with these matters. You can rely on their knowledge and experience to help you make the decision that is right for you. They have access to the Multiple Listing Service® (MLS®) where they can narrow down the properties you are looking for.

What exactly are you looking for in a home? How many bedrooms do you want? Do you want it to be close to schools and malls? Are you planning to have more children? Is a garage or a finished basement a must? New homes are in great condition, can come with extensive warranties, but limited landscaping and no mature trees. Older homes usually have improvements like finished basements, decks, patios etc. Get a home inspection done on any resale home to identify any repairs or upgrades that are required.

Location is your next decision. City living means you are near to amenities like shopping, theatres, etc. If you want a rural setting, be sure that your daily commute won't take away from you enjoying the property.

Condos and townhouses are for a specific lifestyle and budget. They provide convenience and this might mean sharing common areas like parking, landscaping, hallways etc.

What can you afford?

You have figured out your needs and wants, but can you afford it? Establish a maximum price range as opposed to an upper range. Buying the most expensive home in your budget isn't the best idea due to additional costs or changes in your income, therefore better to start lower.

Your lender or REALTOR® will help you figure out how much mortgage you can afford by looking at your debt-service ratio. In general, when you add all your loan payments (credit card, personal, car etc.) including your mortgage, it shouldn't be over 40% of your gross income. Furthermore, property taxes and mortgage payments should not exceed more than 30% of your gross income.

It can be intimidating buying your first home, however, with good planning, knowing exactly what you want and the guidance of a REALTOR®, homeownership will be enjoyable for your whole family.

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