

FIRST TIME BUYER'S GUIDE



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Beginner's Guide: Buying Your First Home

Considering buying your first home? Congratulations!

It's a great time to be a first-time real estate homebuyer. Interest rates on mortgage loans are at historic lows, and there's an ample supply of homes in our region.

A home is an investment. When you rent, your money goes to your landlord, and your landlord benefits when the property rises in value. When you own your home, you can deduct the cost of your mortgage loan interest from your federal income taxes, and usually from your state taxes (fortunately, here Florida we do not pay state income tax). In the early years of your mortgage loan, the interest you pay makes up most of your monthly payment. You can also deduct the property taxes you pay as a homeowner.

You also benefit when the value of your home goes up over the years. Finally, you'll enjoy having something that's all yours – a home you can make your own, and where you use your own personal style to tell the world who you are.

Real estate, and the home buying process, can be intimidating, confusing, even overwhelming at times. If you're like most people, your home is the single largest purchase you will make in your life. To make sure it goes smoothly, there's some homework and preparation to do, and we're here to help.

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You may need to begin preparing and saving months or even a year in advance. See below for a timeline of what to do and what to expect once you decide to buy your first home. It may be a long journey, but it's worth it.

Our Tampa Home Group team of pros is here for you, with professional buyers' agents who are experts in all aspects helping you find and buy the home of your dreams. Turn to us as your partners and guides on the road to your first home!

We are here for you and happy to hear from you at any time. No question is too basic, or too complex. We're educators and counselors first, and the more prepared and educated you are, the smoother the process goes for you, and us. Best of all, the services of great buyer's agent are FREE to you as a buyer, as it is customary for sellers to compensate the agents involved. So instead of having to become an expert on real estate values, inspections, appraisals, and obtaining a loan, you can hire a great buyer's agent to protect your interests and negotiate on your behalf throughout the entire transaction – at no cost to you!

When it comes to choosing an agent, insist on experience. Buyers often assume that all agents are the same, but they are not. If you were having a complex medical procedure would you seek out the brand-new doctor who had personally performed only a handful of procedures, or would you insist on the master surgeon who had completed hundreds of procedures under every condition?

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We have information on programs that can help you as a first-time buyer, including those that require smaller down payments, provide down payment assistance, and help military veterans and others. We'll also discuss whether the time is right for you to buy now, or if it might be wise to wait.

No matter who you are or your circumstances, we love and live real estate every day, and our passion is helping people like you. The Tampa Home Group team puts our decades of professional expertise to work every day to help our clients navigate the process, while reducing their stress and workload and helping them avoid any pitfalls and mistakes.

We look forward to working with you.

Contact Tampa Home Group today to get started on your journey to your first home!

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Timeline – One year to your first real estate purchase

<https://www.houselogic.com/buy/first-time-home-buyer/first-time-home-buyer-guide/>

Especially for first-time home buyers, there's planning and prep work to be done to get through the various phases of buying a piece of real estate. It can be a lot to learn, and doing your homework may take some time. We suggest planning about a year in advance from when you first begin to think seriously about owning your first home to when we've gotten you through closing and handed you the keys to the front door.

Does it always take that long? No – especially if you've been managing your money well, saving, using credit appropriately and have put some thought and planning into what type of home you'd like, and where. You can certainly get there in a shorter time.

If you are starting from scratch, here's a list of what to expect, and when, as we embark on a shared journey together to find you your dream home.

Month 1 – You're a year away

Get started by building your Green File, as detailed in our Buyer's Guide. Be sure to check your credit, and do some initial research how much you can afford to borrow. Start saving so that you can accumulate what you need for a down payment.

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You can find a lot of detailed information and resources online, including educational materials to help you learn more about important financial information you will need and steps to take to get you where you need to be in the coming months. Some tools to look for include those that help you calculate and plan things loan amounts, project monthly mortgage payments, and debt-to-income ratio guidelines, how to create and live within a budget and guidance on paying down debt and saving funds for a down payment.

Month 4 – 25% there

Let your imagination run wild. What do you want in a new home? What is a must-have? What is a must-avoid? If you list and rank order your priorities, that will help you, your partner/family, and your buyer's agent find better options on the market and make the entire process much more efficient. If you have to give something up or compromise, what does that look like?

Where do you want to live? What parts of town, in general, and what specific neighborhoods appeal to you? Have you explored other areas that may not be more familiar? While you may not be in full-on home shopping mode yet, start to explore what's available, research things like schools, what your commute for work and family activities will look like, etc.

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Keep your eye on the ball! Keep your finances on track, managing debt/credit and adding to your down payment. It never hurts to have a little extra on hand for emergencies or unexpected expenses like costs related to buying and financing your home, including inspections, closing costs, title search, etc. You might also want to have some fund available for maintenance and improvements to your new home once you own it, along with any unexpected repairs or emergency fixes that may be needed once you move and start to settle in.

Month 7 – Halfway there

By now, your Green File should be complete, and your down payment should be growing.

It's also time to choose a Realtor – ideally, a trained, certified buyer's agent who knows the areas you would like to live in, like the pros on our Tampa Home Group team. Your buyer's agent represents you and goes to work to find your dream home, takes the lead on any negotiations with the seller's agent, and is your guide each step of the way through the closing process.

At Tampa Home Group, we are familiar with vendors and lenders in the area, as well as the nuances of the Tampa Bay realty scene. We can even help you find the right loan, and educate you on special financing programs for first-time buyers.

Month 10 – 75% there

Arrange for financing. Choose a lender you wish to work with, and have them get you pre-approved for a mortgage. That may mean the mortgage loan department at a local financial institution, an online vendor, or a mortgage broker who works with a variety of sources of funding to compare rates and terms from multiple lenders.

Whichever option you choose, your lender or broker will check your credit and verify your records, including income, savings and account statements. Using this information, they will determine the size of loan you qualify for, though we advise that you not borrow the maximum amount the lender can loan you.

As we note in our Buyer's Guide, when you're pre-approved, that carries more weight with sellers than a simple pre-qualification. That can make the difference when a seller is considering multiple offers, and it can get you into your home quicker and avoid sidetracks and delays that can crop up if you are not pre-approved.

Ideally, your lender can provide you with an approval, or, better yet, a written loan commitment, so you have documented proof of having financing in place when you find a home you wish to make an offer on.

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Hit the web, and the streets! It's time to start looking for your new home. As your professional buyer's agent, your Tampa Home Group partner will work with you to find homes to consider. We help you narrow your search and save time by finding properties to look at and visit based on your price range and other factors, such as the neighborhoods you wish to live in and other features you want in your home or wish to avoid.

Month 11 – The last 8 weeks

Ideally, you've found a home that you like and are ready to make an offer. Once an offer is made, it typically takes four to six weeks to get to closing, depending on negotiations (with our help) and other factors. Unexpected things can come up and cause delays, so plan and be prepared.

Once your offer is accepted, you will need to arrange for the home to be inspected. Again, we are here to help. If the inspection reveals any concerns, we'll need to figure out how we want to address those, and that may mean further negotiation to determine how they will be addressed and who is responsible.

Home Stretch – Month 12 – The last 30 days

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Do a final, detailed review of your finances and all related statements. Review every document you get from your lender. We are happy to walk you through them and explain everything.

Insure your investment. Find an insurance agent you like and trust, and arrange coverage for your new home. You will receive documents proving you have coverage, so be sure to bring those to closing.

Schedule one last walk through. You want to make sure that nothing has changed when it comes to the condition of the property, and that anything you negotiated to be taken care of with the seller has been addressed. This usually happens the day before closing.

Make arrangements for the down payment. Your lender will let you know exactly what you'll need to pay at closing. We advise you to bring a cashier's check for that amount. Some prefer to transfer this payment by wire, and that often goes smoothly; but we've seen cases where there's a problem with the transfer that delays completing the purchase.

Celebrate! You're a homeowner!