

Buying A Home

The real estate market continues to boom, and with good reason. Property is a sound investment and property values rarely decrease. If you have decided to purchase your first home, congratulations! The process may seem complicated, but if you take it one step at a time, it can be fascinating, rewarding and quite enjoyable.

Being a homeowner will give you a great sense of pride, but keep in mind that it also involves substantial investments of time, energy and money. When you assume the homeowner role, be prepared to take on added responsibilities. Before you start the ball rolling, ask yourself if you are really ready for home ownership, and be sure to answer honestly.

Do you enjoy the stability of having a longtime home base, or are you an adventurous spirit who prefers moving into different places. Are you currently saving for a dream vacation, large ticket purchase, retirement or a business investment? Do you enjoy the freedom of avoiding costly maintenance and repair commitments?

Answer "yes" to any of these questions, and you may not be quite ready to delve into the home buying experience. You may have already considered the good reasons there are for buying a home, but you should also give equal thought to the reasons you may have for not wanting to own a home. Buying home always seems to be a great idea, but it is important to realize that property ownership comes with a great deal of responsibility.

A home purchase is not just a huge financial decision, but it can also be one of the strongest emotional choices in your life. Be prepared to take your time, think rationally and make wise decisions when you are in the process of buying your home.

Once you have thought it through and made the decision to buy, it's time to weight the pros and cons. Consider all of the benefits there are to home ownership.

Financial security

Once you've placed the "sold" sign on your home, you've not only purchased a piece of property. You've gained an extraordinary amount of capital. When housing prices increase, your home will provide you with some added financial security due through capital appreciation.

Flexibility

Your footloose days of apartment hopping may be a thing of the past, but you can still flex your creative muscle. With home ownership comes absolute decision-making power. No more plain white walls or barren balconies. You are free to decide how you will decorate and renovate, and what to plant in your yard. Personalize your home to suit your own unique tastes and preferences.

Stability

When you own a home, you tend to acquire an innate sense of comfort and security. Home is where you always belong. Having your own home will make you feel more at ease and less of a burden than when you were a tenant.

There are countless benefits to home ownership, and it's fun to dream about them all. It would be foolish however, to make the big move without giving thought to the downsides as well.

Financial Stress

Purchasing a home is expensive. The initial purchase involves a down payment, plus legal fees, insurance, utility deposits and moving expenses. Once you're established, you are obligated to make regular mortgage payments and pay other house related costs that will strain your budget.

Maintenance

Home repairs and keeping up on regular maintenance can be a problem.

Keeping your home attractive and in good repair requires time and money. If you don't have the time, energy or cash to mow the lawn, what will you do if the roof springs a leak?

If you've considered all of the finer points, and you're still sure that home ownership is right for you, it's time to determine if you are financially ready to buy a home.

To avoid future surprises, you can do some financial exercises to see where you stand. Review your current

monthly expenses and debt payments, and calculate your net worth. Knowing your net worth is important because your lender will need to know this information before issuing a mortgage. Find your net worth by subtracting your total liabilities from your total assets. It will give you a snapshot of your current financial situation, and indicate how much you can afford to put as a down payment.

When you've found your dream home and agreed on a purchase price, your closing day will soon follow. On closing day, you legally take possession, and the home is finally yours. The wait will be over, but there will still be a few more tasks at hand.

On closing day, it is your responsibility to arrange for the lender to provide the mortgage money to your lawyer. This includes the balance of the purchase price, along with any closing costs. Your lawyer in turn pays the vendor, registers the home in your name, and provides you with a deed and the keys to your new home.

Your first home purchase should be an extremely satisfying experience. Consider all of the pros and cons, be confident in your decision and enjoy the rewards of home ownership.