



Sunday Column

By Kim Bragman, 2020 Chairman

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Thinking about buying your first home? Answer these five questions first

We make small decisions every day, like what to wear to work. Bigger decisions usually take more time to sort through, like when it's the right time for you to buy a home. While you probably don't need help choosing an outfit every day, you *can* get help with your homebuying decision. A San Antonio area REALTOR® can explain what it takes to buy your first home, but answer these five questions to get started:

Am I staying put? If you think you might move somewhere else soon, it's probably a better bet to rent for now. Buying *and* selling a home in such a short period can be time consuming and often doesn't make financial sense. But if you are ready to put down roots, buying a home might be a smart investment.

Where do I want to live? Do you like the neighborhood that you currently live in? Or are there other areas of town that you could explore? Now is a good time to visit different neighborhoods and get to know them. Keeping an open mind and expanding your search to several places means more choices when you start looking.

What kind of property do I want? It's possible that you've lived in several kinds of properties like apartments, townhomes or single-family homes. Consider what you liked or disliked about each. Do you take advantage of the amenities offered by a condominium? Are you looking for a big backyard for your pets or kids? Even if you don't have experience living in different kinds of properties, you can ask your San Antonio area REALTOR® for more information on what each may have to offer.

Do I have enough money for a downpayment? Most conventional loans require a downpayment. Many homebuyers place a downpayment of 10% to 20% of the purchase price. For a \$150,000 home, that's \$15,000 to \$30,000 in cash. Having enough money for a downpayment usually means better loan terms and a lower interest rate on your mortgage loan. That adds up to long-term savings.

Government-backed loans, insured by the Federal Housing Administration (FHA) and the Veterans Administration (VA), are great for first-time buyers and often require 3.5% or less as a downpayment. Your REALTOR® can recommend how much you might want for a downpayment and let you know if there are homebuyer-assistance programs you might qualify for.

Can I afford the cost of owning a home? There's more to owning a home than paying a mortgage. You'll want to consider property taxes, maintenance costs, renovations, and possibly

even new furnishings. The cost of home maintenance and repairs is usually one of the biggest surprises for new homeowners who may be used to a landlord fixing issues.

When you're creating your homebuying budget, include the cost of regular home maintenance and unanticipated problems. Your REALTOR® can help you estimate those figures. One way you can become acclimated with these costs is to test out a homeowner's budget while you're still renting. To do so, calculate your potential monthly mortgage payment plus extra costs. If it's more than what you currently pay in rent, you could put the extra money in savings. Then, assess how those potential costs affect your budget. And at the end of your experiment, you might have extra cash to use as a downpayment or in your real maintenance fund. Plus, you'll have a better sense of the costs associated with being a homeowner.

There are many steps you must take to buy your first home. A REALTOR® can help you determine if you're ready and make sure you get to the closing table.

For more information on buying or selling your home visit SABOR.com and use a San Antonio area REALTOR®.

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