



5 Steps to Finding Your Next Home

Whether you're a first-time buyer or a seasoned homeowner, shopping for a new home can feel daunting. In fact, 56% of buyers said that "finding the right property" was the most difficult step in the home buying process.¹

Buying a home is a significant commitment of both time and money. And a home purchase has the power to improve both your current quality of life and your future financial security, so the stakes are high.

Follow these five steps to assess your priorities, streamline your search, and choose your next home with confidence.

STEP 1: SET YOUR GOALS AND PRIORITIES

The first step to finding your ideal home is determining WHY you want to move. Do you need more space? Access to better schools? Less maintenance? Or are you tired of throwing money away on rent when you could be building equity? Pinpointing the reasons why you want to move can help you assess your priorities for your home search.

Don't forget to think about how your circumstances might change over the next few years. Do you expect to switch jobs? Have more children? Get a pet? A good rule of thumb is to choose a house that will meet your family's needs for at least the next five to seven years.² Be sure to set your goals accordingly.



STEP 2: DETERMINE YOUR BUDGET

Many financial professionals recommend following the “28/36 Rule” to determine how much you can afford to spend on a home. The rule states that you should spend no more than 28% of your gross monthly income on housing expenses (e.g., mortgage, taxes, insurance) and a maximum of 36% of your income on your total debt (i.e., housing expenses PLUS other debt, like credit cards and student loans).³

Of course, the 28/36 rule only provides a rough guideline. Getting pre-qualified or pre-approved for a mortgage is the most accurate way to determine your maximum potential budget.

STEP 3: CHOOSE A LOCATION

When it comes to real estate, WHERE you choose to buy is just as important as WHAT you choose to buy. Do you prefer a rural, urban, or suburban setting? How long of a commute are you willing to make? Which neighborhoods feed into your favorite schools? These decisions will impact your day-to-day life while you live in the home. Another important factor to consider is how the area is

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likely to appreciate over time. Look for communities that are well maintained with access to good schools, desired retail establishments, and top employers.⁴

STEP 4: DECIDE WHICH FEATURES YOU NEED (AND WANT) IN A HOME

Start with the basics, like your ideal number of bedrooms, bathrooms, and square footage. Do you prefer tile or hardwood? Do you want a swimming pool? Keep in mind, you may not find a home with all of your “wants,” or even all of your “needs” ... at least not at a price you can afford. The reality is, most of us have to make a few compromises when it comes to buying a home. If you’re faced with a tough choice about how or what to compromise, return to STEP 1. What are your ultimate goals, and does the home meet them?

STEP 5: MEET WITH A REAL ESTATE AGENT

An agent can remove much of the stress and uncertainty from the home search process. From setting goals to selecting a neighborhood, we will be there to assist you every step of the way. You might assume this VIP service comes at a high price. Well, the good news is, we can represent you throughout the entire home buying process at NO COST to you. It’s true; the home seller pays a buyer agent’s fee at closing. So you can benefit from our time and expertise without paying a dime. It’s no wonder 87% of buyers choose to purchase their home with the help of an agent.¹

Sources: 1. NAR 2. Architectural Digest
3. Investopedia 4. Money Talks News

Although we’ve listed it as STEP 5, the reality is, it’s never too early (or too late) to contact an agent about buying a home. Whether you plan to buy today, next month, or next year, there are steps you can (and should) be taking to prepare for your purchase. Call us today to schedule a free consultation!

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