

First-Time Home Buyer Mistakes

by **AMANDA BELL**

The experience of buying your first home often brings up a lot of emotions. With so many new considerations and complicated processes to navigate, it's easy to get tripped up in details and make costly mistakes. Read on to learn how to avoid making common first-time buyer missteps.



SKIPPING HOME LOAN QUALIFICATION

Once you decide to buy a home, it's tempting to start touring properties right away. Cheryl Grant, Realtor at Keller Williams North in Grand Rapids, Mich., advises you to resist.

Instead, make your first stop a lending office. Figure out how much you qualify to borrow before wasting your own time and that of a seller, she says. You don't want to sign a contract only to discover the bank won't loan you the necessary funds.

NOT KNOWING WHAT YOU CAN AFFORD

Many first-time buyers fail to budget properly, often confusing what they can afford with what lenders tell them they qualify to borrow. If you haven't yet, make a list of your monthly expenses before settling on a house budget. "You absolutely should not be looking at homes out of your price range," says Brian Pakulla, a Realtor at Pakulla Professionals Re/Max Advantage Realty in Ellicott City, Md. Doing so could cause you to stretch your finances too thin or make you feel dissatisfied when you do budget and start to look at homes in your price range, he says.

FOCUSING TOO MUCH ON FLAWS

It's fun to dream about the items on your wish list, but some first-time buyers have a hard time compromising to meet their budgets. Don't let outdated features steer you away from a house that otherwise meets your criteria, Pakulla says. On the other hand, don't compromise on your must-haves. "You can always change the cosmetics of a house, but you can't change the view, location or floor plan easily," he says.

FALLING BLINDLY IN LOVE

You think you find "the one" and immediately develop an emotional connection to it, never mind the leaky roof and creaky floors. You jump to put an offer in, but your real estate agent urges you to reconsider. At that point, Grant says to take heed. Falling head over heels for a home can blind you to its true value or flaws that should be deal-breakers.

WAITING TOO LONG

Today's housing market is competitive. If you spend too much time debating whether to put in an offer, a quicker buyer may snatch up the house you've been eyeing.

"Some first-time buyers have a difficult time moving that quickly even if it's a good home in their price range," Grant says. "My job is to explain how fast you need to move in this market, but I don't make people do anything if they're not comfortable. I show them the pros and cons and help them make the right decision."

SKIPPING THE INSPECTION

Once a seller accepts your offer you may be tempted to fast-forward the process and skip the home inspection, but it's important to know if the house is in solid shape.

Aside from helping to identify any major structural flaws, a home inspection can help you budget for future maintenance issues. Consider it a "new home" orientation, Pakulla says. "Go through the inspection to understand how your future home operates mechanically," he says. "It'll have some blemishes, but you'll learn and make sure nothing will be a major pitfall."

NOT THINKING ABOUT RESALE

It might seem preposterous to think about selling a house you haven't yet purchased, but experts recommend planning ahead. Many buyers don't factor in features that could affect a home's resale value, like number of bedrooms or whether it has a garage or basement, or if the home will suit their future needs, which Grant says is a common mistake. "So many first-time buyers say they aren't thinking of children now, so school districts aren't a consideration for them," Grant says. Even if you're not planning to have children, she says a home's location within a coveted school district often leads to a higher resale value down the line.

