

# "Top 10" First-Time Homebuyer Mistakes to Avoid

10 common mistakes and how to avoid them  
Buying your first home is an exciting time in life. But too often I see first-time homebuyers make simple mistakes that leave them stuck with a "problem house," or they don't know how to negotiate with sellers. But too often I see first-time homebuyers make simple mistakes and it ends up costing them thousands. Here are:

## **Mistake #1: Not understanding what You NEED and what You WANT.**

Prioritize your basic needs before you even start looking so you don't buy the wrong home. Also know that you may have to compromise. This is your first home, not the dream home you'll live in for the rest of your life. The home you can afford may need a little work (fresh paint, new carpeting). Over time, you may be able to hire a contractor or do some more substantial upgrades yourself. With that mind, consider these items:

1. General price range;
2. Approximate size (in sq. footage);
3. General location, area or subdivision;
4. Number of bedrooms;
5. Number of bathrooms;
6. Style and layout of home; and
7. School requirements or districts.

## **Mistake #2: Not knowing what You can afford before looking at homes.**

You'll waste your time looking at properties that are may be out of your price range. Examine your budget, get a copy of your credit report and credit score, then sit down with a qualified lender to determine how much of a home loan you can afford. Don't assume the first lender you ask is giving you the most competitive rate. Talk to more than one lender (ask your REALTOR® for recommendations) to comparison shop for a mortgage.

## **Mistake #3: Not getting Pre-Approved before You go house hunting.**

A lender can give you a pre-qualification letter after a simple 10-minute phone interview. But

a pre-APPROVAL letter is a firm commitment to lend money based on VERIFICATION of income in the form of: employment, funds on deposit, and your credit history. All that remains is the property appraisal for you to get a home loan once you've been pre-approved. **Why is this so important?** Pre-approval is a powerful weapon when it comes to negotiating the price you want, so it's worth it even if it takes a few days to a few weeks. It tells the sellers you are serious and they may accept your offer even it's less than someone else's because they know you can get financing. On the flip side, without pre-approval, you may put an offer on a home but the seller goes with someone else.

## **Mistake #4: Neglecting to consider the overall costs of owning a home.**

There's more to it than the monthly mortgage payment. You have to plan for homeowners' insurance, property taxes, utility costs, plus repairs and maintenance. If you're buying a condo, you'll have to pay monthly maintenance costs.

## **Mistake #5: Paying too much for A beautifully staged home.**

That's what the seller wants you to do. Work with your REALTOR® to understand what you should offer the seller. Also, imagine the space empty and think how your furniture and belongings will fit in. You may want new furniture, but buying it just to fill space can be a budget-killer. Or, you may still have to get new furniture if your current pieces don't fit.

## **Mistake #6: Not thinking of the future.**

How long do you think you'll own the home you are interested in? If you want to move in five years, that's fine. But if you can't see yourself living there for even a couple years, don't buy the home because you may not make any profits if there hasn't been enough time for the home to appreciate in value. Also, consider what the neighborhood will look like in five

years? What are plans for future development? And how will they affect your resell value if you don't want to keep living in this home?

**Mistake #7: Not having a home inspection.** Having a professional home inspection before you close on the sale is one of the most important parts of the process. Review the inspection report carefully to make sure the home is in good condition. You don't want to buy a home that has serious issues, such as: mold, water damage, or pests.

**Mistake #8: Not doing a walk-through before closing.** Visit the property after all the furnishings have been moved out to make sure there are no surprises. If you're buying a new home, you'll typically do a walk-through with the builder's representative. Items that are not completed will be entered onto a "punch list," which will be discussed at closing. Get a written confirmation on when those items will be

completed by the builder.

**Mistake #9: Not understanding the Contract.**

Make sure everything is in writing. A professional REALTOR® will help you understand your responsibilities under the contract and walk you through the closing process so you don't lose money.

**Mistake #10: Choosing the wrong Agent.** You want to hire an experienced REALTOR® – not just a relative or friend. You can ask your friends, neighbors, relatives, and business associates for recommendations. Then select at least three individuals to interview. Hire someone who understands your goals and will help you find the perfect home at the right price.

Related to this, the **BIGGEST Mistake That Can Cost you Thousands** is not using a Buyer's Representative...

### Why should I use a BUYER'S REPRESENTATIVE?

The seller's agent does not represent your financial interests. They work for the seller and are trying to get the seller the most money you will pay. Create a "buyer's representation" with a REALTOR® so you have someone on your side working to negotiate the best price for YOU. This is why you never want to walk into an Open House without having a REALTOR®. By the way, this won't cost you a nickel because it's paid out of the seller's commission.

### An experienced Home Buyer Representative can save you time and money with buying a home by:

- ◆ Helping you find the perfect home at the right price... so you don't have to worry you bought the wrong home or paid too much.
- ◆ Providing you with direction and contacts to get pre-approved for a home loan... so you're never lost trying to find the most affordable financing for your situation.
- ◆ Negotiating the best deal with the sellers... so you avoid costly traps and pitfalls. You don't make money when you sell a home, you make money when you buy it!
- ◆ Coordinating all inspections, appraisals, escrow and title services, with the very best companies... so you feel confident and can focus on other tasks with your move.

### How to find the perfect home and save thousands when buying...

I offer a **Preferred Buyer Program** for those considering buying in the next 6 months. My program includes an Advanced Home-Locator Service™ where my software will sift through the market each night to find hidden bargains and new listings before anyone else – and send you daily email notifications at no charge. To enroll in my no obligation program or if you have questions about my Lowest Loan-Locator Service™ to help you find the best loan program for your needs – call me using this number:

**Magdolna Velki**

Certified Real Estate Broker  
**Home Buyer Representative**