



10 TIPS FOR FIRST TIME HOME BUYERS

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1. KNOW WHAT YOU CAN AFFORD

- Banks and mortgage brokers have formulas that determine how much you can afford to borrow. It is not always in your best interest. Crunch the numbers yourself and determine what you can afford. Don't overbuy your first home. It is better to buy what you can afford and then move up to your dream home later.



2. FEATURE LIST

- Make you wish list of the features you would like in your home before you start looking. This will help it be clearer for you and your realtor.
- Separate the list into “essential” and “desire”. This will help narrow down what features you feel you can compromise on and what features you cannot.



3. AIM FOR A 20% DOWN PAYMENT

- As a first time home buyer you can put 5% down but it is highly recommended that you put 20% down for a conventional mortgage.
- Remember to keep a little cash for additional closing costs, minor home repairs and furniture.

4. DON'T FORGET ABOUT CLOSING COSTS

- Closing costs can range anywhere from 1.5 to 3.5 per cent of the total cost of your home. You might be expected to pay for some or all of the following:
 - Home inspection fee
 - Legal fees
 - Property transfer tax
 - Appraisal fee
 - Land transfer tax
 - Title insurance
 - Interest adjustment
 - Property and fire insurance

5. GET A PRE-APPROVED MORTGAGE

- If it comes down to competition against another buyer, having a pre-approved mortgage gives you an edge. It allows the seller to know that you are serious about purchasing their property.



6. PAYMENT OPTIONS

- Understand different payment options for your mortgage. You can pay for your mortgage in a variety of ways, including monthly, bi-weekly, and weekly payment options. Paying off your mortgage sooner will save you thousands of dollars in interest costs, while a longer amortization period will reduce your regular payments and frees up cash in your budget.
- Some mortgages also give you the ability to make extra lump sum payments, or the option to skip a payment. Make sure you understand what your options are, and that you are comfortable with the terms.



7. CALCULATE MOVING COSTS

- Make a moving budget
- Pull in your resources and ask for help to save money

8. FURNISH YOUR NEW HOME

- The truth is Interior Designers do not cost that much (\$75 for a consult at Refresh Design Gallery, Grande Prairie). Make a list of the items you, pull images off the internet of your style and create a budget. A stylist will keep you within budget, will teach you some DIY tricks and make your house a home.



9. WATCH OUT FOR THE EMOTIONAL BUY

- Home is where the heart is. Think logically and realistically with the biggest purchase of your life. Letting your emotions overtake common sense might result in paying more for your home either at the point of sale, or over the long run – and you might never recuperate your losses. My advice, 20% Heart and 80% Head!

10. GOLDEN RULE

- It's the golden rule for choosing anything from a car to a wedding dress to a life partner – once you've found what you are looking for – stop looking! The same goes for a house. Once you've found your home, instead of looking for something better than what you have, focus your energy on making the space your own.



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