

10 First-Time Home Buyer Tips

Become a First-Time Home Buyer - Now Is The Time!

First-time homebuyers come in all shapes and sizes. Whether you're a young professional, new family, or simply wishing to stop paying rent and start building equity, purchasing your first home can help build the future you've always imagined. Unfortunately, however, it could be quite a daunting task as well. As a **first-time home buyer**, here are ten basic steps you should take before you even start shopping for a home:

1. **The Federal Reserve is keeping the interest rates low**

With a glut of homes available in every city and the federal government imposing more restrictions on money borrowing, the current stock of homes for sale greatly outnumbers the amount of interested buyers. However, many lenders are making home ownership more appealing with the help of Down Payment Assistance programs, which will give a buyer up to 10% of the home's final sales price for a down payment, which is now necessary for most purchases. In addition, seller concessions - which help to cover closing costs - are valuable incentives when you're in negotiations for a home.

2. **The housing market is a buyer's market**

In large markets throughout the country, the average home value has dropped significantly in the past several years. What once was a seller's market is now predominantly suited for buyers. Buyers are now able to get favorable prices that will enable them to build equity faster. List prices are low to begin with, and with the help of a trusted real estate agent, you'll likely be able to negotiate a lower purchase price on most properties.

3. **There are many incentives on new construction**

Because of the current conditions in the housing market, new construction values have dipped to historic lows. Builders are having trouble selling their new projects and they're continuing to build developments that are too far along in the planning stages to delay. You can find cash back incentives, free upgrades, and some builders will even pay your mortgage for several months. You may even be able to get a free car lease in some cases! Bottom line: builders are doing whatever it takes and you should take advantage.

4. **Foreclosed homes can be found almost anywhere**

In some areas, there is one foreclosed home for every 25 existing homes, which is a very high level. Banks not only want to sell off these liabilities, but they will do so at extremely discounted prices. These properties could make the perfect starter home, and when the market bounces back, you'll have a ton of value in your home. Foreclosed or bank-owned properties also tend to bring down home values in the immediate neighborhood. If you're leery of purchasing a foreclosure, rest assured that there could be great opportunities right around the corner.

5. **Progressive companies make buying a pain-free process**

More and more companies exist that will help you purchase your new home in the easiest, most pain-free way possible. Buying a home shouldn't be hard. Use a company with all the progressive tools like an online home search and an online pre approval to make the home buying process faster and easier.

6. Get Pre-qualified

Nothing is more important than understanding your credit situation and getting pre-qualified with a reputable lender before you start your home search. This also means calculating all of additional expenses besides a mortgage payment that come with owning a home. For instance, if you're looking at condos, you'll want to take into consideration how the Home Owners Association (fees, etc.) will impact your monthly expenses.

Doing a little prep-work and knowing how much home you can afford will allow you to search for a house with confidence and avoid being disappointed by homes that are out of your price range.

Curious about what your credit situation is right now? Take a peek at your credit score for free at [Quizzle.com](https://www.quizzle.com).

7. Hire a Buyer's Agent

Outside of getting pre-qualified, this is the single-most important thing a first-time home buyer can do. A buyer's agent is a real estate agent hired specifically to help a person interested in purchasing a home. This agent will work for you and will always have your best interest in mind.

Buyer's agents will research a property and give you valuable information that the agent who is representing the seller is not allowed to provide. This includes any public records showing what the current owner paid for the home, the last mortgage on record, comparable homes in the neighborhood and how long the property has really been on the market.

A buyer's agent can also give you a thorough explanation of the best way to approach a negotiation of the property. In addition, a good buyer's agent will have a list of resources that will help you in the home buying process, including home inspectors, contractors and attorneys.

The best thing about hiring a buyer's agent is that it often costs you nothing! Because of the agreement between the seller and the listing agent, compensation is offered through multiple listing services that encourage other agents to show the property. The buyer's agent only gets paid if they are the one who brings the buyer.

8. Know the Neighborhood

When searching for your first home it's important to know and understand the neighborhood. Target an area and drive around at different times of the day or week to observe what's going on. Often in the evening and on weekends you'll get a better idea of what the activity level is for a specific neighborhood.

Don't settle when you're looking for your first home. While most buyers understand that they may only be in a home for a few years, the decisions you make now will have a huge impact when it comes time to sell the property. Things like not having a garage or basement, or the proximity to commercial or major roads could create some obstacles when you try to sell the house in the future.

9. Prepare for a Competitive Bid Situation

In this market with so many buyers wanting to take advantage of record-low prices, it's not uncommon to find yourself in a competitive bidding situation. This is why it's so important to already have the three previous items under your belt. As an agent, I've had buyers who thoroughly understood the value of a property and as a result were able to out-bid other buyers and still get an outstanding deal on the home.

10. Have the Home Inspected

This is one thing you definitely don't want to skimp on! Choosing to do the inspection yourself or relying on your family member or friend who has owned a home before will most likely result in a greater cost than if you had hired a professional in the first place.

By not hiring a full-time inspector who is a member of either the American Society of Home Inspectors (ASHI) or your state's association of home inspectors, something will be missed and it could cost you thousands of dollars in the long run. Not only does a professional inspector provide peace of mind about what you're buying, but can walk you through the process so you understand the inner-workings of a home and regular maintenance schedules.

For more tips about your home, money and credit, plus free tools to help you make the most of them – including a free credit score, home value estimate and home loan recommendations – check out Quizzle.com.