

Buying a New Home? 5 Things to Consider Before the Purchase

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Buying a new home can be both intimidating and exciting, especially since it's one of the biggest purchases you'll make in your life. It pays, therefore, not to jump in without careful thought and questions. Since buying a home comes with risks and obstacles all its own, you'll want to approach the market prepared. Below are some tips and considerations for when you're ready to make the leap.

The Type of Mortgage

A common mortgage lasts for 30 years, but that isn't the only option you have. Depending on your budget, you may choose among varying policies that differ by length, down payment, or government assistance. For instance, the Veterans Affairs Benefits Administration (<https://www.benefits.va.gov/homeloans/>) and Federal Housing Administration (<https://www.hud.gov/buying/loans>) offer loans that come with as little as

zero to three percent down payment for qualifiers. It's also possible to get shorter mortgages, usually around fifteen to twenty years. Even if you go with the standard length, though, you can make a difference on your own by making a higher down payment and reducing the overall price from the start. You'll have to consider your budget and other long-term goals, as well as local programs for home buyers, before deciding.

Credit

Though you've probably already checked and double-checked your savings before committing to making a purchase, your credit will also need to be secure. A good score can be the difference between the home of your dreams and no home at all, as well as whether you have access to a mortgage loan and its rates. Check your credit before you get too far into the process, and handle any errors or disputes on your account. You'll also not want any surprises, so avoid opening new accounts until you're secure in your finances.

Good Home Warranties

A home warranty might seem like an unnecessary added cost, but the right one can save you a great deal of trouble. Home warranties are not the same as home insurance, which covers just the physical structure of the house, so your appliances and major systems might need the extra protection. While they aren't required, home warranties tend to be inexpensive and come in handy when you aren't sure you can cover repair or losses for those fixtures. Not all warranty plans are the same, though, so shop around as you deliberate.

Post-Purchase Fees

Once you're in your home, will you have enough to cover closing costs? What about needing to furnish the place? The former can run between two and five percent of the loan, and whether you plan to live in this house for the length of the mortgage (and beyond) or not, the full cost can vary. Some fees are negotiable, if not defrayable by the lender. As for furnishing costs, don't forget that the home might need fixes, improvements, or simply new pieces of furniture for your comfort. Be sure to budget carefully for these in the event the prices fluctuate.

The Neighborhood

Where the house is can matter

a lot more than you might expect (<https://realestate.usnews.com/real-estate/articles/8-neighborhood-amenities-to-look-for-even-if-you-dont-use-them>)

. Besides the common concerns over crime and safety rates, you'll want to know about the traffic, nearby amenities, and helpful business to determine if the area's a good fit. You should also check out the schools and exact neighborhood itself, as these can have an impact not only on price but on later home value. Depending on what your needs and future plans are, you'll want to mind your options.

No matter where your chosen home is, this purchase is no small deal. It'll affect your life for years to come, so picking well matters. Make a more informed decision with the tips above, and you'll be closer to having the right place at the right price.

