

THE **INFORMED** Home Buyer/Seller™

Helpful Advice for Making the Right Move

Issue 4

How Much Can You Really Afford?

"Can we afford it?" That's the first thought that comes to mind when shopping for your next dream home. Fortunately it's an easy question to answer if you consider your lifestyle, financial goals, expenses and mortgage eligibility.

Lifestyle

There's more to life than just paying the mortgage and other living expenses. Hobbies, entertainment, vacations, family adventures, and charitable causes are also important. Don't be house poor. Think of your "lifestyle" as another bill you must pay — to yourself.

Financial Goals

Your new home is not just a place to live. It's also an investment. Make sure it fits with your overall investment plan, which may also include retirement savings, education funds, emergency cash, and more.

House Expenses

The mortgage isn't your only home expense. You must also calculate insurance, utilities, taxes, maintenance and other costs.

Amenities, such as a pool, can turn your home into an oasis. But, you must be prepared for the upkeep costs.

If you're buying an older home, expect repair and maintenance costs to be higher.

Mortgage Eligibility

Your mortgage eligibility is determined by your current income, debt level, employment history, and credit rating. Lenders use this information combined with estimates of your new home property taxes and heating/cooling expenses to determine the largest mortgage they can offer you.

Be careful. Since lenders make money based on interest on the total mortgage amount, they naturally want to get you approved for the highest amount possible. Remember that although you may qualify for a \$400,000 mortgage, you may not want that level of debt. It will depend on your lifestyle, financial goals and estimated home expenses.

Home affordability is like a jigsaw puzzle. You need to put all the pieces together to get a clear picture of how much home you can afford.

Need help? Call today.

Benefits of a "Moving Out" Sale

"Stuff" accumulates. It's a timeless principle in every household. It accumulates. And accumulates!

Chances are, your basement, garage, and closets are filled with things you don't want to have to pack and haul on moving day.

The solution? Have a "Moving Out" sale!

Expect a crowd. Bargain hunters love a "Moving Out" sale even more than a Garage Sale because they expect that prices will be lower.

Once you realize that you won't have to deal with all that clutter on moving day, you'll love it too.

Think, Act... Live!

*"Genius is only a superior power of seeing."
John Ruskin, famed art and social critic*

*"I not only use all the brains that I have, but all that I can borrow."
Woodrow Wilson*

*"Only those who are asleep make no mistakes."
Ingvar Kamrad, founder of IDEA*