

There is a huge selection in today's housing market for first time buyers. Be patient and pragmatic.



PRAGMATIC STEPS TO A FIRST HOME PURCHASE

If you are buying your first home in the Lower Mainland this year, you are making a good decision. The thing that home buyers most often regret is they didn't buy five years earlier than they did.

Yet, when purchasing in this market, there are some guidelines that are different than in other regions.

First, be coldly realistic about what you can afford. Don't buy on emotion: do the math. You can purchase with a 5 per cent down payment, but it is better to save up for 10 per cent to 20 per cent down. This will reduce or eliminate the cost of mortgage insurance, which is mandatory on high-ratio home loans.

Stick to what you can afford. Mortgage repayments should not account for more than 40 per cent of your monthly income, preferably less. Anything more leaves

your with little, if any, leftover once other home ownership cost and living expenses are accounted for.

Get a pre-approved mortgage, which is usually good for 60 days and will provide an accurate price level to shop in.

Don't be spooked by media reports of super high prices. For instance, a search of www.rew.ca turns up more than 200 homes priced at under \$200,000 in Surrey alone. In Chilliwack, many detached houses are selling for less than \$350,000, which is lower than the Canadian average. There are also scores of condominiums listed through the Real Estate Board of Greater Vancouver priced well under \$300,000.

Research the neighbourhood you want to buy in. Spend time visiting open houses to get a feel of what is available. Use Google street view to check out areas you are

not familiar with.

Contact a real estate agent when you have a definite price and neighbourhood in mind and prepare to work closely with him or her. There are thousands of homes on today's market and your agent has or can quickly get information on each and every one.

Remember the additional costs, such as appraisal fees, legal fees, home inspection fees and property taxes and strata fees, if you are buying a condo. You may also want to set aside money for small renovations. Also, if the condo has a big fitness centre or swimming pool, the strata fees will likely be higher.

Be patient. You will be living in the home for years, so time spent finding the ideal home for you is time well spent.