



## “DO and DON’T” LIST FOR FIRST-TIME HOMEBUYERS

### COLDWELL BANKER® OFFERS A “DO AND DON’T” LIST FOR FIRST-TIME HOMEBUYERS

**PARSIPPANY, N.J.** (April 7 2008) – For most people, buying a home is the most significant investment of their lives. And in spite of the doubt and confusion clouding both the financial markets and news headlines, 2008 presents many genuine real estate opportunities – especially for first-time buyers. On average, housing inventory is up, prices are stable and historical data demonstrates that purchasing a home has proven a sound long-term financial investment. However, first-time homebuyers are often understandably anxious when it comes time to making what could be the largest purchase in their life. Coldwell Banker Real Estate LLC has come up with a simple “do and don’t” list to make the process easier for everyone dreaming of homeownership.

#### DO:

***DO utilize free online tools to arm you with as much knowledge as possible.*** For example, the Home Price Comparison Index available at <http://www.coldwellbanker.com> offers buyers a way to compare average housing costs in over 400 U.S. markets.

- ***DO take time to access and closely review your credit score.*** A sound financial track record and solid credit score can help lock in a loan and lower interest rates. Checking your records with a fine-tooth comb in advance will also ensure that you catch any errors ahead of time, as well as help you better understand how lenders may perceive you.
- ***DO explore mortgage pre-approval.*** Getting this early green light will help others involved with your purchase that you are serious about home ownership – and well-qualified.
- ***DO line up your “all-star” team of professionals before game day.*** A team of experienced professionals will be key to making the home buying process simple and seamless. Start by interviewing and selecting a sales associate who you “connect” with. That sales associate should also be able to help you identify suitable lawyers, mortgage lenders, home inspectors and others who play a role in the process.
- ***DO anticipate your future needs and buy for lifestyle.*** Try to anticipate how long you’ll live in your next home and plan for major lifestyle changes when possible. What may make a perfect starter home for a couple might not work as well when children come into the picture. Remember, people move for lifestyle reasons and your first home will likely not be your last.



- ***DO hone in on your housing priorities.*** Your ideal home may have a porch, a pool and five full baths. But before you start looking, make sure to separate your “must-haves” from your “nice to haves,” so you know where you can compromise to meet your budget.

## **DON'T:**

- ***DON'T fall in love with the first house or neighborhood you see.*** That grand colonial with the picturesque view may win your heart at first glance, but don't fall in love too fast. You need to keep an open mind to make sure you find the right fit for all your needs. At the end of your search, it may turn out that the riverfront ranch that's closer for your commute is a better bet all-around.
- ***DON'T buy beyond what you can afford.*** It's easy to fall into that all-you-can-eat attitude when it comes to your first home purchase. You “want it all” when it comes to size, amenities, location, etc. But remember that your eyes may have a larger appetite than your wallet. Make sure that the down payment, closing costs, monthly expenses and taxes are truly within your income and savings range before you sign on the dotted line.
- ***DON'T treat your home the way you treat your stock portfolio.*** It's unrealistic and unwise to expect your housing investment to appreciate as quickly as you'd hope for your high-risk bonds. Buying for lifestyle, as opposed to trying to turn a quick profit, will help ensure that you are viewing home purchasing and ownership in the right context.
- ***DON'T try to time the market.*** By the time most consumers sense a major real estate or financial market shift, the tables have typically already turned. Instead of waiting for a slim and unreliable window of time – and potentially missing out on the perfect home – buyers should focus on their own lifestyles and buy when the time is truly right for them.
- ***DON'T jump into an exotic or confusing mortgage.*** When it comes to downpayments and mortgages, if it sounds too good to be true, it probably is. Be sure to read carefully through every aspect of the proposed agreements to fully understand your end of the bargain. For instance, what seems like an attractive rate now may balloon exponentially a few years down the road. So arm yourself with information and don't be afraid to ask questions.
- ***DON'T underestimate the value of a trustworthy real estate agent's on-the-ground expertise.*** While being a savvy buyer and doing one's homework will help on the road to homeownership, a local expert with years of negotiating experience is invaluable when it comes to scouting out the perfect home – and closing the deal.