

The Art of House Hunting: 8 Tips to Help in Your Search

by Michele Dawson

Armed with your down payment and your pre-approved mortgage loan, the next step is finding the house that will best meet your family's needs. With realistic expectations, patience, and plenty of research, you'll be well on your way.

Once you narrow it down to the neighborhoods you like, you'll want to determine the maximum house price you can afford. Even though you're pre-approved for a set loan amount, it doesn't mean you can afford it. You'll want to factor in other expenses, including retirement and college savings, vacations, and home maintenance and repairs, when you calculate how much you can afford for a monthly payment. And don't forget to budget for homeowners insurance and property taxes.

Next, differentiate your needs versus your wants. You need three bedrooms, but a fourth room would be nice for a play room or guest room. You need a two-car garage, but a larger one would be nice for storage. You need a functional kitchen but want hardwood floor. You need two bathrooms but want a luxurious master suite. You get the picture.

As you begin on your house-hunting venture, you may want to prepare a checklist, perhaps in a table form on your computer. Break it down between exterior and interior characteristics. Make notes on each feature and give each a 1 to 10 score.

Some of the exterior features to rate might include size of yard, quality of fence, paint condition, roof condition, window conditions, garage, back yard. When it comes to interior, think about square footage; the floor plan; condition of walls; the size, quality, and functionality of the various rooms; and closet and storage space.

Your checklist should also include any other general factors you deem important - the amount of traffic, the appearance of the neighborhood in general, safety in the area, the reputation of local schools, etc.

Meanwhile, Freddie Mac, the stockholder-owned corporation chartered by Congress in 1970 to create a continuous flow of funds to mortgage lenders in support of homeownership and rental housing, and other industry experts make additional suggestions, including:

- Take a camera with you to capture an image of each house you look at that makes it to the "maybe" list.
- Don't make a hasty decision, especially if you feel yourself becoming guided by emotion. Selecting a home takes time, thought, and analysis. You should carefully weigh the pros and cons of each house you like.
- Review your checklist and notes and compare it against your needs, wants, and budget.
- Bring your spouse, friend or family member with you to get a second opinion. They may notice a shortcoming that you've overlooked.
- Find out how much utilities and maintenance cost.
- Stay on top of newly listed houses via a Multiple Listing Service on the Internet.
- Remain in close contact with your agent. This is extremely important if you're in a strong seller's market in which

homes that are priced right go fast. You want a good agent who will alert you of new listings and who will show you the houses as soon as they're listed.

- Be prepared to look at the potential of a house rather than what you see in front of you. Set your priorities and decide what can be sacrificed. It's more important that the layout of the house and the number of bedrooms you need fit your needs and that all major systems are functional versus your dislike for the avocado green carpet or the lack of landscaping. Those types of cosmetic shortcomings can be easily remedied once you buy the house.

If you find a house you like, offer a competitive bid. Keep in mind you'll likely be competing against other offers - especially if interest rates stay low and the spring buying season is in full bloom.

And don't forget - once you make an offer, make it contingent upon the findings of a professional home inspection. If any major defects surface, you'll want to have the leverage to renegotiate or back out of the deal completely.

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