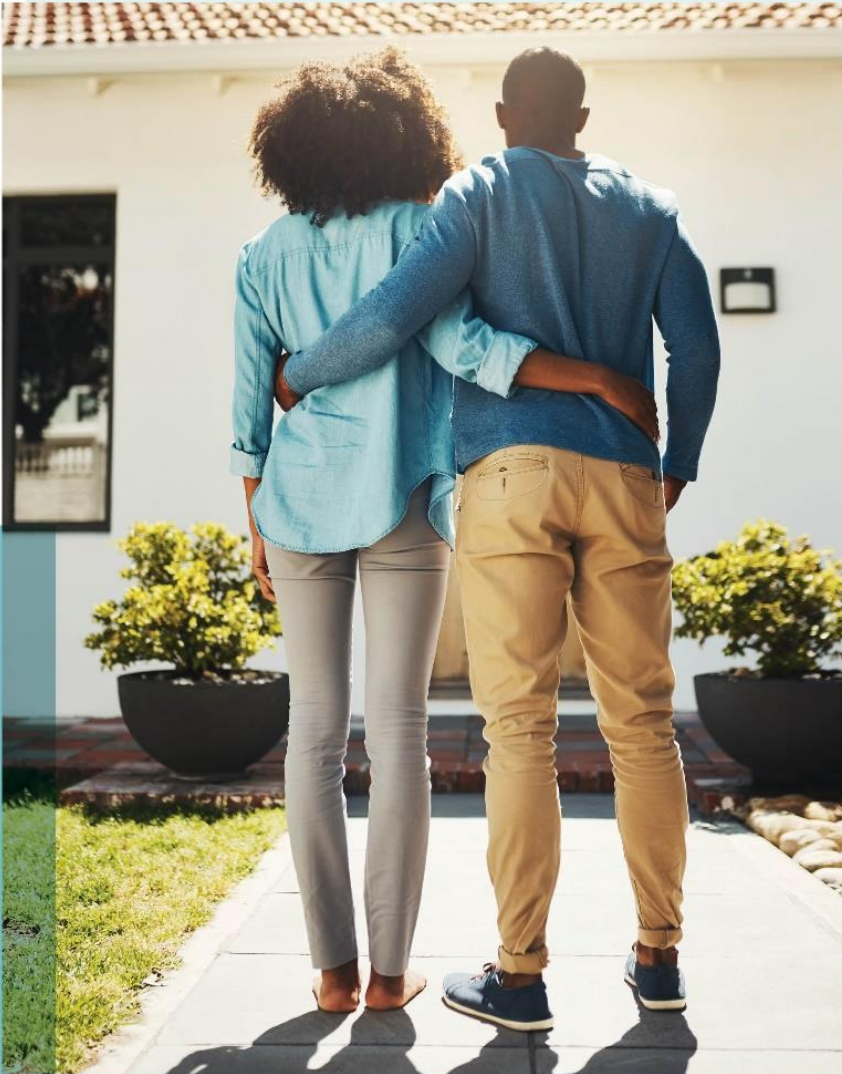




10

First-Time Homebuyer Mistakes



OUR HOUSE
Dominion Lending Centres



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It doesn't get much more exciting than buying your first home! To ensure a smooth and successful experience, there are a few common first-time homebuyer mistakes to avoid:

1. Not Using a Real Estate Agent

While you might be able to house hunt on your own, there are many aspects of buying real estate that can be confusing to first-time shoppers. A real estate agent provides an essential service that you can rely on for negotiating offers, organizing inspections and other details. A good realtor's experience is valuable and can help guide you through the process. In addition, whatever money you might save on commissions could easily be spent on a botched offer or overlooked repairs that could be avoided with the help of an agent.

2. Not Using the RIGHT Real Estate Agent

Not using a real estate agent has its issues, but so cannot using the RIGHT real estate agent. You don't want to be halfway through your home search and then realize your real estate agent isn't right for you. To avoid this, it helps to get a referral from a friend. If you don't have any friends who recently purchased, take the time to ask around. Mortgage professionals are great resources to help you build your entire home buying A-Team! Also be sure to speak with your potential choices before you commit.

3. Getting Swept Away

While love at first sight is a good thing, it is always best to err on the side of caution when purchasing a new home. As one of the largest purchases of your life, it is ideal to keep an open mind when house hunting to ensure you are not jumping in too fast, going over budget or ignoring potential pitfalls.

4. Going Over Budget

When it comes to house hunting, budget is everything! As much as you might love the idea of that extra bedroom or a popular neighbourhood, it is in the best interest of your future not to go over your predetermined budget. You don't want to sacrifice your retirement savings or emergency fund and overextending yourself could put your investments - including your home - on the line.



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5. Fixating on Lowest Interest Rate

While a low interest rate has its perks and can be important, it should not come at the expense of heavy penalties or restrictions. When it comes to a mortgage everything from terms to penalty calculations to interest rates matter. Ideally, you want to choose a mortgage product that has the best overall contract to serve your needs - now and in the future. To ensure you are making the best decision, talk to a Dominion Lending Centres mortgage professional about all your options today.

6. Opting Out of Mortgage Insurance

Your home is often your largest investment, and it's imperative to protect it. We purchase fire insurance, because the lender demands it and because it's smart to do so as you just never know! If we put less than 20% down we purchase government backed mortgage insurance to protect the lender. But, one thing not enough of us consider is insuring ourselves with life and/or disability insurance. It's simple to apply for, it's simple to qualify for, and handy to have because you just never know! If nothing else, it buys you peace of mind. home - on the line.

7. Not Researching the Neighbourhood

The house of your dreams can only go so far if it is in the wrong neighbourhood. Annoying neighbours or a nearby industrial zone can ruin that perfect home. Before committing, it is a good idea to get to know the area and the neighbourhood before you make an offer. Talk to local business owners and residents to determine if there are any red flags you should know about.

8. Not Researching Your Lawyer

At the beginning we talk about not using the RIGHT real estate agent and mortgage professional. However, it is important to ensure that you are putting that same energy into finding the right lawyer as well. Same as with finding a real estate agent, your best referral sources for a lawyer will be friends and business associates. Also, your Mortgage Advisor may have some references or suggestions, to consider or select from at your discretion, if you are not sure where to start.



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9. Choosing a Fixer-Upper Based on List Price

A fixer-upper can be a great project - and of course a low price is appealing - but it is important to be extra diligent during inspections and considerations for these types of homes. On the surface, it might look simple enough to get the home up to code and give it a fresh new look but once you get started, it could be a bigger project than you anticipated. Negotiating a long due-diligence period can be a great option to provide you time to get estimates from contractors in case you need to back out.

10. Immediately Starting Renovations

Renovations can be fun and can often increase the value of your home, but there is no need to rush into them. In many cases, overextending your credit to get upgrades done quickly doesn't always pay off. Before doing renovations, take time to ensure that you have a solid plan and understand the financial expectations so you can complete and enjoy your renovations without future stress! Living in your home for a while before renovating will also help you plan the best functional changes to the layout.

If you are new to homeownership, don't worry, and with questions, be sure to reach out to me!



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