**5 Steps to Finding Your Next Home**

Whether you’re a first-time buyer or a seasoned homeowner, shopping for a new home can feel daunting. In fact, 56% of buyers said that “finding the right property” was the most difficult step in the home buying process.1

Buying a home is a significant commitment of both time and money. And a home purchase has the power to improve both your current quality of life and your future financial security, so the stakes are high.

Follow these five steps—and complete the corresponding worksheet offered below—to assess your priorities, streamline your search, and choose your next home with confidence.

**STEP 1: Set Your Goals and Priorities**

The first step to finding your ideal home is determining WHY you want to move. Do you need more space? Access to better schools? Less maintenance? Or are you tired of throwing money away on rent when you could be building equity? Pinpointing the reasons why you want to move can help you assess your priorities for your home search.

Don’t forget to think about how your circumstances might change over the next few years. Do you expect to switch jobs? Have more children? Get a pet? A good rule of thumb is to choose a house that will meet your family’s needs for at least the next five to seven years.2 Be sure to set your goals accordingly.

**STEP 2: Determine Your Budget**

Many financial professionals recommend following the “28/36 Rule” to determine how much you can afford to spend on a home. The rule states that you should spend no more than 28% of your gross monthly income on housing expenses (e.g., mortgage, taxes, insurance) and a maximum of 36% of your gross monthly income on your total debt obligations (i.e., housing expenses PLUS any other debt obligations, like car loans, student loans, credit card debt, etc.).3

Of course, the 28/36 rule only provides a rough guideline. Getting pre-qualified or pre-approved for a mortgage BEFORE you begin shopping for homes will give you a much more accurate idea of how much you can borrow. Add your pre-approved mortgage amount to your downpayment to find out your maximum purchasing potential.

**STEP 3: Choose a Location**

When it comes to real estate, WHERE you choose to buy is just as important as WHAT you choose to buy.

Do you prefer a rural, urban, or suburban setting? How long of a commute are you willing to make? Which neighborhoods feed into your favorite schools? These decisions will impact your day-to-day life while you live in the home.

Another important factor to consider is how the area is likely to appreciate over time. Choosing the right neighborhood can raise the profit potential of your home when it comes time to sell. Look for communities that are well maintained with high home-ownership rates, low crime rates, and access to good schools, desired retail establishments, and top employers.4

**STEP 4: Decide Which Features You Need (and Want) in a Home**

Start with the basics, like your ideal number of bedrooms, bathrooms, and square footage. Do you prefer a one-story or two-story layout? Do you want a swimming pool?

Keep in mind, you may not find a home with all of your “wants,” or even all of your “needs” … at least not at a price you can afford. The reality is, most of us have to make a few compromises when it comes to buying a home.

Some buyers will opt for a longer commute to get a larger, newer home in the suburbs. Others will sacrifice hardwood floors or an updated kitchen so that their kids can attend their desired school.

If you’re faced with a tough choice about how or what to compromise in your home search, return to STEP 1. What were your original goals and motivations for moving? Reminding yourself of your true priorities can often provide the clarity that you need.

**STEP 5: Meet with a Real Estate Agent**

A good real estate agent can remove much of the stress and uncertainty from the home search process. From setting goals to securing a loan to selecting the best neighborhood to meet your needs, we will be there to assist you every step of the way.

And no one has more access to home listings, past sales data, or market statistics than a professional agent. We can set up a customized search that alerts you as soon as a new listing you might like goes live. Better yet, we get notified about many of the hottest homes even BEFORE they hit the market.

You might guess that the VIP service we provide is very expensive. Well, the good news is, we can represent you throughout the entire home buying process at NO COST to you. It’s true; the home seller pays a buyer agent’s fee at closing. So you can benefit from our time, experience, and expertise without paying a dime. It’s no wonder 87% of buyers choose to purchase their home with the help of an agent.1

And although we’ve listed it here as STEP 5, the reality is, it’s never too early (or too late) to contact an agent about buying a home. Whether you plan to buy today, next month, or next year, there are steps you can (and should) be taking to prepare for your purchase.

Call us today to schedule a free consultation!

The above references an opinion and is for informational purposes only. It is not intended to be financial advice. Consult a financial professional for advice regarding your individual needs.

Sources:

1. NAR 2019 Home Buyers & Sellers Generational Trends Report -  
   <https://www.nar.realtor/sites/default/files/documents/2019-home-buyers-and-sellers-generational-trends-report-08-16-2019.pdf>
2. Architectural Digest -  
   <https://www.architecturaldigest.com/story/this-is-how-long-you-should-live-in-your-house-before-selling-it>
3. Investopedia -  
   <https://www.investopedia.com/terms/t/twenty-eight-thirty-six-rule.asp>
4. Money Talks News -  
   <https://www.moneytalksnews.com/20-clues-youre-buying-home-the-right-neighborhood/>