

Benefits of Homeownership

1. Stability

The cost of rent can fluctuate from year to year according to the market. As a homeowner with a fixed interest rate, you can rely on a stable monthly payment for the life of your loan.

2. Wealth Building Through Equity

Out of each mortgage payment you make, a portion goes toward the principal of your loan. As principal is paid down, you build equity in your home. Equity is the value of your home over what you owe. By building equity in your home, you create wealth and financial stability.

3. Appreciation

Property grows in value over time. By purchasing a home in a good area with strong appreciation rates, you can build equity even faster. Work with an agent who knows the area and can direct you to the stronger investments.

If you answered mostly c's...

You're not quite ready to buy, but don't be discouraged. Start off by establishing a monthly budget. Reign in monthly expenses and begin putting a little money aside. Catch up on past due bills and establish a consistent repayment record. An underwriter will want to see twelve months of paying your bills on time. With a little preparation and organization, you could be on your way to home ownership soon.



Not intended to solicit property currently listed for sale.

Copyright © 2010 by Sasha Miletic all rights reserved. Reproducing any part of this report without obtaining written permission from Sasha Miletic is strictly prohibited.

RENT

VS.

BUYING



How to Decide if You're Ready for Home Ownership

Rent vs. Buying *How to Decided if You're Ready for Home Ownership*

Are you tired of paying your landlord's mortgage? Do you dream of owning a home of your own? Before you take the plunge, take this quick assessment to determine if you are ready for home ownership.

I have a set budget that I stick to each month.

- a. Always
- b. Sometimes
- c. Never

I pay my monthly rent on time.

- a. Always
- b. Sometimes
- c. Never

I have some money set aside for emergencies.

- a. At least one month of expenses
- b. Enough to cover my rent
- c. I have no savings

I make my debt payments on time.

- a. Always
- b. Sometimes
- c. Never

I foresee my income remaining stable or increasing over the next few years.

- a. Strongly Agree
- b. Not sure
- c. Strongly Disagree

I plan on staying in the same area for at least the next three years.

- a. Strongly Agree
- b. Not Sure
- c. Strongly Disagree

If you answered mostly a's...

What are you waiting for? You have the financial organization and consistency to commit to a mortgage payment, and you manage your accounts responsibly. You likely have a good credit rating and some money in the bank. You understand the wisdom in saving for unforeseen expenses, so you won't be devastated by the little financial surprises that homeownership can bring. Your first step is to contact a mortgage

broker to get pre-approved for a loan. This will clarify your price range and monthly payment budget. If you don't already have a mortgage broker, we would be happy to refer you to a few reputable brokers in your area.

If you answered mostly b's...

Don't be discouraged. Home ownership is not out of your reach. You may need some assistance getting together the down payment but there are a few options if you don't have ready cash. As a first time home buyer you could qualify to borrow a down payment from your retirement fund. Or you can use funds gifted by an immediate family member. It may take a little work, but we'll be happy to guide you in the right direction. We can recommend some reputable mortgage brokers in your area. Talk to one and see if you can get pre-approved. They work with you to establish a sensible buying budget and determine how much home you can comfortably afford.

