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## TIPS FOR FIRST-TIME HOME BUYERS

Are you among the thousands of people in Greater Victoria who pay rent each month, knowing full well that you will never see that money again? For many, this need not be the case. Instead, why not take that money and build it into an investment that can last a lifetime? Right now there are excellent opportunities for first-time buyers. Mortgage rates are attractive and there are plenty of reasonably priced homes on the market.

### What kind of home do you need and want?

Buying a home is a balance of many requirements such as family size, location, income and lifestyle. REALTORS are excellent sources of advice and help in these matters. Not only do they have the experience and knowledge to make sure the choice you make will be the right one, but with access to the Multiple Listing Service® (MLS®), they can seek out suitable properties for you and provide you with a customized list of homes that meet your needs, wants and budget.

Ask yourself exactly what you need in a home. How many bedrooms? How close to schools or shopping centres? Do you plan to have more children? Do you need a garage or a finished basement? New homes offer extensive warranties and pristine conditions but may not have mature trees or landscaping. Older homes often include improvements such as finished basements or rec rooms, decks and patios. Be sure to have any resale home inspected for needed repairs or upgrading.

Next decide on a preferred location. Living in the city means you will be close to amenities such as theatres and shopping. If you prefer a more rural lifestyle, make sure the extra time spent driving each day won't detract from your enjoyment of the property.

Townhomes and condominiums are obviously suited to particular lifestyles or budgets. Townhome or condominium living offers convenience and often means sharing common areas such as parking, hallways and landscaping.

### What can you afford?

Once you have determined what it is you want and need, you'll have to find out what you can afford. The first tip is to set a maximum price range instead of just an upper price. It's not always wise to buy the most expensive home you can afford but better to aim lower in anticipation of extra costs or fluctuations in your income.

A REALTOR or your financial institution can help you determine the amount of the mortgage you can carry by calculating your debt-service ratio. The rule of thumb is that the sum of all your current loan payments (car, personal, credit card, etc.) plus your mortgage should not exceed 40 per cent of your gross income. In addition, mortgage payments and property taxes should not be more than 30 per cent of gross income.

Buying your first home may seem intimidating in the beginning, but with careful planning, a clear idea of what you want and the help of a REALTOR, home ownership can become a joyful reality for you and your family.