

## 10 Common Mistakes of First-Time Home Buyers

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*With a little preparation, buying a home will seem less of a daunting task. Check out these top 10 common pitfalls of first-time homebuyers prior to your own search.*

- 1. Not knowing how much house you can afford.**

Many novice homebuyers research more on layouts and square footage rather than researching their financing options. One of the first things a buyer should do is talk to a lender and get preapproved for a mortgage.
- 2. Assuming foreclosures are great deals.**

Just because a previous owner owed \$500,000 on a house before the bank took it doesn't mean it's worth that much now. Most homes owned by lenders or banks may have been sitting vacant for awhile now and may have been vandalized. Weigh the costs of fixing up the property with the savings you'll reap.
- 3. Letting your true feelings show.**

Don't let the seller's agent in on your love for a house. He/she will gain the upper hand.
- 4. Failing to find a good buyer's agent**

Interview candidates about their experience. Ask about what kind of service you'll get from them and if they've worked with first-time buyers.
- 5. Underestimating the costs of owning a home.**

Many homebuyers don't anticipate the additional costs of repair and maintenance or an increase in utility costs. Be prepared to set aside a small percentage of the home's purchase price annually for upkeep.
- 6. Failing to budget for property taxes.**

Property taxes should be factored into any home buying budget. Call your local assessor's office or talk to people in the neighborhood to get an idea of how much you'll be paying.
- 7. Assuming your first offer will get accepted.**

Competition is most likely going to heat up as home prices get more affordable. Don't get discouraged if you lose out on the first or second house you make an offer on.
- 8. Skipping the inspection.**

Hire a professional inspector before you sign anything. To avoid conflict of interest, hire an inspector independent of the real-estate agent.
- 9. Doing too much too fast.**

Several buyers want to make the house their own immediately – overextending their credit to do so. Buyers need to exhibit patience and make changes gradually over time.
- 10. Failing to include a contingency clause in the contract.**

A mortgage financing contingency clause protects you if you lose your job and the loan falls through or the appraisal price comes in over the purchase price. If one of these events takes place, the buyer gets back the money he used to secure the property.

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