



5 Common Mistakes of the First-Time Homebuyer

Taking the plunge into home ownership for the first time is a very exciting event in a person's life, but it is no simple task. There are so many factors to take into consideration when buying a home that the process can feel complicated, intimidating, and even overwhelming at times. It's not as easy as HGTV makes it look! Luckily, there are things you can do to help take some of the stress off and make the process less frightening, and more fun! Below are five of the most common mistakes buyers fall victim to, and what you should do instead:

1. Not Measuring Twice

With the huge variety of real estate options to choose from in the city, it can be difficult to figure out how to zero in on the options that will best fit your lifestyle. This is why I believe it is so important to go over your must-haves, cannot-haves, and like-to-haves before you even begin looking at homes, or as we say in real estate "measure twice, and cut once". Your agent can then help you set the appropriate search parameters to ensure you see the properties that are going to best suit these needs, which will make the entire process much more focused and less overwhelming.

For example, condos in high rises are a fantastic option for certain buyers. They offer amenities, security features, a sense of community, and views that you simply won't find in other property types. However, they are not for everybody. If you are a private person who is extremely sensitive to noise and odors and loves to garden, it may make more sense to focus on single family homes or walk-ups.

Multi-family homes are also great for some buyers and not so great for others. They can be very good long-term investments, as you will be generating income that can cover some or all of your monthly mortgage and will continue to cash-flow once the home is paid off. However, these are lower inventory and higher cost, meaning you will likely have to be much more flexible with your search criteria. You are also effectively becoming a landlord, meaning you must be willing and able to take on all of the responsibilities this entails. Additionally, because these homes are so sought-after, FHA or VA buyers can have a hard time competing with offers from cash or conventional-loan buyers that have the ability to make a larger initial investment.

There are many other examples I could list, but the point is that everybody's wants and needs are different and there is no shortage of homes to suit every type of buyer, so make sure you really know what is most important to you and keep your eyes on the prize.

2. Not Sticking to the Budget

Having a hard time finding everything you want within your budget is a common problem. So sometimes buyers get curious – what if I just expanded my search parameters by \$50K? Lo and behold, suddenly there are way more options! So, you get to thinking, well if I trim a little here, and spend a little less there, I can make it work -

right? Wrong. Don't do it. Set a budget before you begin your search, and stick to it. Be thoughtful and be realistic, and remember that you will need to set aside additional funds for maintenance expenses now that you are a homeowner. Ask yourself questions like: What kind of spending money does your lifestyle necessitate? How much do you want to set aside every month? Will your expenses or income be changing soon for any reason (family, work, etc.)? The last thing you want to do is move in to your new home and immediately feel house-poor. When that fancy chef's kitchen and those amazing heated bathroom floors start to mean no more dinner dates or family vacations, your love for them may soon turn into resentment.

3. Not Choosing Your Compromises Carefully

Unless you have an unlimited budget, which is not typically the case for first-time buyers, you will almost certainly not get everything on your wish list. Whether it be finish level, building material, floor level, location, view, or any other number of things – you will have to compromise on something. The key is to compromise on things that are possible to change. If option A is in a rapidly appreciating neighborhood but the kitchens and bathrooms are straight out of the 1990s, and option B is updated beautifully but in a far less desirable location, go with option A. You can make improvements over time, you can open up and even completely rearrange floor plans, but one thing you can NOT change is the piece of land that your home rests on, which is the single most important factor when it comes to your property value.

Building material is another thing you can't change (unless you plan to do a complete tear-down). All buildings are not created equal and some materials simply do not fare very well with our Chicago climate. I advise you to talk with your agent to make sure you understand the differences between these materials, and eliminate from consideration any homes built with materials that will drastically increase your future maintenance costs.

4. Thinking Too Much, Too Soon

So first let me acknowledge that I realize this sounds a bit contradictory after all of the things I just told you to think about, but hear me out. I fully believe that buyers should be armed with as much knowledge as possible before beginning their search. However, this can sometimes lead to so many concerns swirling around in their heads that they get bogged down right off the bat and forget to think about the big picture. When you walk into a home, don't immediately start inspecting the scratches on the baseboards and asking about the age of the appliances or how much money the association has in reserves – walk right into the main living space, take a quick look around, and ask yourself: Do I like this home and could I picture myself living here? If the answer is no, there's no need to investigate further and it's on to the next. If it's yes, then absolutely ask your questions and do your homework.

5. Not Going with Your Gut

In this low-inventory market, it is more important than ever to know when to pull the trigger. People hesitate, they second-guess, and unfortunately this means they sometimes miss out and end up with regrets. And I get it! It's completely reasonable to struggle with making such a major life decision. Especially if you've found two or three homes that check all of your boxes. But the fact of the matter is that recently it is not uncommon for good properties to get snatched up within a few days of going on the market. So the question is, how do you know if it's "the one"? I'm sure there are a number of different ways to answer this question, but my advice is simple. Ask yourself: "If I walk away and tomorrow it goes off the market, how will I feel?" If the answer is that you will be filled with regret, then you may want to go with your gut and make an offer.