

The most

COMMON

MISTAKES

of first-time homebuyers



When you start out looking to buy your first home, there are a lot of things to consider. The homebuying journey can be stormy, with a number of potential problems along the way.

First-time homebuyer mistakes generally fall into two categories: financial blunders and bad property choices. We outline some of the most common mistakes that we've seen first-time homebuyers make, **so you can avoid them.**

FINANCIAL BLUNDERS

NOT SAVING ENOUGH MONEY

This happens surprisingly often. Many first-time homebuyers think they only need to save up enough for a down payment. However, there are also considerable closing costs to factor in — you can read about them in [this article](#).

SWITCHING JOBS

Most people don't realize that starting a new job just before house hunting can delay the process. Many lenders will refuse to qualify people for a mortgage until their probationary period is over.

NOT GETTING A GUARANTEED PRE-APPROVED MORTGAGE

Many so-called pre-approved mortgages are nothing more than a promise of an interest rate if you close within a set period of time. If you didn't provide proof of your income and didn't have a credit check, your lender could renege on the promise when it comes to underwriting your application. Check with your lender that your pre-approval is guaranteed.

NOT SHOPPING AROUND FOR THE RIGHT MORTGAGE FOR YOU

The best mortgage is not just about the rate, it's also about flexibility. Some "cheap" mortgages can cost you thousands down the road — find out how in [this article](#).

TAKING ON A BIG LOAN JUST BEFORE HOUSE HUNTING

Lenders consider all of your credit obligations when qualifying you for a mortgage. A \$600 monthly car payment, for example, can knock tens of thousands of dollars off the mortgage amount that you'll qualify for. Find out more about how much home you can afford in [this article](#).

OVEREXTENDING ON WHAT YOU BORROW

This has become less common since the government introduced the mortgage [stress test](#). However, some homeowners are often surprised by how much it costs to own a home versus renting. General maintenance and expensive repairs can quickly throw your budget off, especially if you've borrowed the maximum amount possible.

MISTAKES REGARDING THE PROPERTY

BEING TAKEN IN BY A HOME'S APPEARANCE

Don't be put off by a home that looks like it's out of a 1970s sitcom. It could be that basic redecoration and new flooring could transform it for just a few thousand dollars. Conversely, don't be taken in by a staged home with shiny new appliances and furnishings. Imagine how it would look with your furniture in it. And make sure the structure of the building is sound. This brings us to our next point...

NOT GETTING A HOME INSPECTION

While a home inspection can cost anywhere from \$200 - \$800, depending on the size of the home, it's worth it. It can save you tens of thousands of dollars if it uncovers major structural damage.

NOT DOING YOUR HOMEWORK

If you're moving into a new area, do your research. Spend some time there, see what amenities are close by that matter to you. Get a feeling for the place — can you see yourself living there for years or decades? There's nothing worse than buying a dream home in a nightmare neighbourhood.

NOT RESEARCHING THE PROFESSIONALS

You'll need to hire several people to buy a home and it pays to do your research on all of them. Ideally, you'll choose a realtor and lawyer that your friends have dealt with and can recommend without reservation. You should also research your lender or mortgage broker. Make sure they're acting in your best interests, not their own.

More helping avoiding costly mistakes.

Your Cornerstone mortgage advisor can help you avoid the mistakes that derail many first-time homebuyers. They can also help you to find the mortgage that's right for you.



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today to book an
appointment so
you can make sure
your homebuying
journey is smooth
sailing.

