

# Introduction

## Are You Ready to Buy a Home?

“There’s no place like home.”

—*The Wizard of Oz*

If you’re looking at this book, you’re probably hoping to buy a home—perhaps your first. Or maybe you *have* purchased property before, but were overwhelmed by the process and want more guidance this time around. In either case, you’ve come to the right place!

Let’s face it—buying a house is a life-changer. Do it right, and you’ve scored a sweet retreat from the world’s uncertainties. Pick the *wrong* place, however, and it could land you in a money pit or a neighborhood you hate, where you will be stuck for awhile (homes don’t come with refund policies).

Bottom line? Buying a home is not an impulse purchase, but one that should be pondered carefully. To test just how prepared you are, ask yourself these five questions to see where you stand.

## **Question #1. Can you afford a home?**

The first step is to find out whether you *can* buy a house, given your current financial situation. Is your income high enough? Are your debts and other expenses under control? If you want some help with the number-crunching, plug your income and expenses into an online home affordability calculator to get a sense of whether you can afford a home and how much money you should spend.

## **Question #2. Does it make sense to buy rather than rent?**

The whole “Rent or buy?” question depends on which housing market you’re in, because prices and inventory can make a huge difference. The good news is that an online rent vs. buy calculator can crunch the numbers for you. You’ll enter the rent you’re currently paying (or are able to pay) and the ZIP code you want to live in. What you’ll get: a comparison of the cost of buying a home, versus renting in that area.



### **POP QUIZ**

#### **How old are first-time home buyers?**

According to the National Association of Realtors® Profile of Home Buyers and Sellers, the median age of first-time home buyers is 32.

## **Question #3. Are you planning to stay put for a while?**

Generally, the longer you’re going to be living in a home, the smarter it is to buy rather than rent. As a rule of thumb, home buyers should plan to

stay put for at least five years. If you already know that you are likely to move in that time frame, you may have your answer: Stick with renting.

#### **Question #4. Are your retirement savings on track?**

We know, we know: Retirement seems a long way off. Still, it's crucial to start storing those nuts early. So if you're neglecting your 401(k) to funnel all your funds toward a home purchase, that may not be the best allocation of resources (particularly if your employer matches funds, which is free money).

Another reason: Setting aside money in a retirement account must be done the year you earn that income; you can't go back later with a wad of cash and hope to squeeze it in.

Here's some good news: Much of the money you put into a retirement account like an IRA can be withdrawn for a first-time home purchase, provided you meet certain requirements.

When in doubt on what to do, consult a financial adviser who can help you strike a balance between saving for a house *and* your future.

#### **Question #5. Are you ready for the responsibility?**

With a rental, you can just call your landlord to fix that leaky faucet. With a home you own, it's all on you. So ask yourself if you're willing to forgo weekend bar crawls with friends in order to mow the lawn or patch the roof.

All that said, there are low-maintenance homes you can own: Condos, for instance, require less upkeep, because you pay for others to take care of these tasks. Still, by and large, homeownership comes with responsibilities, so you should be sure you're ready to embrace these obligations with open arms.

A circular graphic with a dotted border containing the text "POP QUIZ" in bold, uppercase letters.

## POP QUIZ

### **Do people hold off on buying a home until they're hitched?**

Not always! Here's a breakdown of the relationship status of home buyers:

- 63% are married couples
- 18% are single females
- 9% are single males
- 8% are unmarried couples

### **Ready to buy a home? How this book can help**

If you answered “yes” to most of the questions above, then you may truly be ready to buy a home—and that’s where this book comes in.

Whether you're a first-time home buyer or a repeat customer who could stand to brush up on a few skills, there's a steep learning curve when you're navigating today's marketplace. And few know this better than we do!

Realtor.com offers an extensive inventory of real estate listings. Every day, millions flock to us not only to peruse beautiful pictures of homes, but also for much-needed advice on how to purchase a place of their own. By interviewing top experts in the real estate field—financial planners, mortgage lenders, real estate agents, brokers, and others—we help guide home buyers through their journey, making sure they find the best house, at the best price, with a great mortgage, and more.

In this book, we won't barrage you with a slew of statistics or obscure terms. We firmly believe that even the most complex aspects of real estate can be explained in plain old English. Our aim is to keep you feeling confident throughout the home-buying process that you're asking the right questions, making the right decisions, and ultimately choosing the very best home for you.

So whether your version of the American Dream includes a sprawling Mediterranean mansion, a midcentury modern apartment, or a quaint Craftsman bungalow on a small patch of grass you can call your own, read on. With the right planning and prep work, it's all within reach. Good luck!

Sincerely,

Judy Dutton, editor, [realtor.com](http://realtor.com)