

Six Common First Time Home Buyer Mistakes That Could Cost You Thousands



1. They don't think they can buy a home.
2. They don't make a decision quickly enough and someone else buys the home.
3. They don't find the right agent who's willing to help them through the home buying process.
4. They don't do enough to make their offer look appealing to a seller.
5. They don't think about resale *before* they buy. The average first-time buyer only stays in a home for a few years.
6. They don't ask their lender enough questions.

1. They don't think they can buy a home.

Many people living in apartments, renting a home, or those that find themselves ready to find a place to live often think they can't afford a home. Or they think no one will lend them the money to buy a home. This is a common first time home buyer mistake. Since there are so many programs available for first time home buyers to assist with financing, you might as well at least try to buy a home.

- 1) FHA mortgages – These typically only require a 3% down payment which can be gifted. Some programs even allow the seller to gift the down payment money.
- 2) Rent to own arrangements.
- 3) Down payment assistance programs

Even with the financing options available many first time home buyers think that there is no way a lender will let them borrow the amount of money necessary to purchase a home. Prior to the sub-prime mortgage fiasco that began in 2004 I would have told you that lenders are protected by the appreciation of the home. In a soft housing market that may not be the case, but we have had rough real estate markets before and it has always bounced back.

As long as you have a job, a decent credit score, and are looking to purchase a home that is affordable you will likely qualify and be able to find a home.

It never hurts to look and see what you can afford. I work with some of the best mortgage brokers in Arizona and encourage you to contact one of them. Visit my [business partners](#) page for more information.

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2. They don't make a decision quickly enough and someone else buys the home.

I know everyone hears that it is a buyer's market right now. While that is true, it doesn't mean that great homes aren't snatched up quickly and sometimes with multiple offers.

A high percentage of the homes for sale right now are foreclosures. This puts a lot of downward pressure on home prices. This means a home buyer can get a great deal. That doesn't mean there isn't competition for the homes. Often times a foreclosed home that is owned by a bank has multiple offers on it. The banks don't typically accept an offer until they receive multiple offers so that they can gauge the value of the property.

Also many of the foreclosed homes have been severely neglected and maybe outright vandalized by the former owners. Those homes that are desirable are usually bought and sold very quickly.

If you find a home that you want, make an offer. Don't make these first time home buyer mistakes and assume the house will be there for you next week.

3. They don't find the right agent who's willing to help them through the home buying process.

First time home buyers are often a little more difficult to work with than someone who has purchased a home before. That makes sense since there are going to be a lot more questions to answer and probably a lot more patience needed throughout the process.

It is often times more expensive and time consuming to work with a buyer rather than a seller. I have driven around the city with a buyer for months before they found a home they liked. The purchase didn't go through because of financing and then we spent another month looking before we found another home. It may sound corny, but I think finding the perfect home for someone is an awesome feeling.

I hear all the time from my clients that they contacted other real estate agents that never called them back. That blows me away!

My Promises To You

- I will respond to your emails, return your calls, and show up on time for appointments.
- I will work my butt off helping you buy, sell, or rent for the best price as fast as possible.
- I won't pester or push you to do something that you are not 100% comfortable with.
- I will tell it like it is even if it's not what you want to hear. (I can't help it. It's genetic.)

I am a full time real estate professional and you will receive my full attention.

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4. They don't do enough to make their offer look appealing to a seller.

This piggy backs a little off the previous point. Yes, there are a lot of homes for sale and great deals can be found. If you think you are going to be able to offer \$50,000 less than the asking price, you might be disappointed. You can always try and low ball, but if it is owned by a bank they likely won't respond. If it is owned by another home owner they also might be insulted and not give you a counter offer.

As your Realtor I will write any offer that you request from me. If you are low balling be ready for a lot of disappointment though. Instead I recommend you find a home that you love and make an offer that the seller will at consider. Buying and selling a home isn't rocket science. By looking at other homes that have sold recently you can judge what the local market is like. You usually need to be in that ballpark to have your offer accepted.

5. They don't think about resale *before* they buy. The average first-time buyer only stays in a home for a few years.

One of the worst first time home buyer mistakes is that they don't consider the homes eventual resale value. Don't settle for a certain home because it is affordable, or in a neighborhood you want to live in, or has a certain feature that you just love. Your circumstances are likely to change over the next few years. Maybe you get married, maybe you have a child (or two), maybe your job changes, maybe the neighborhood changes... There are a lot of variables, but you probably won't live in this home for the rest of your life.

Visit the [home buyers](#) section of my website and download the [home buyer's wish list](#). This will help you narrow down the things that you are looking for in the home. Then with my help I will keep an eye on the big picture of resale value for you. Ultimately it is your decision, but it is my job to offer you guidance and advice. After all, I want you to be a client for life. If I am going to help you sell the home again in the future we want to make sure it is a pleasant experience. That starts when you purchase the home.

6. They don't ask their lender enough questions.

The financing is usually the most complicated part of buying a home. It is also the most common reason why a home purchase doesn't go through. There is a lot of paperwork. There are a lot of regulations. There are a lot of bad mortgage professionals out there too.

You want to be certain you are working with a great mortgage professional. I hate to say it, but your mortgage professional may be more crucial to the process than your Realtor.

If there is anything you don't understand ask about it. I want you to feel comfortable that you understand everything that is going on. It makes the process easier for both of us if you are comfortable with what is going on. Also be sure to ask about lending fees. Some fees are negotiable. It is common to think that once you have negotiated a price for the house that you are done negotiating. You may be able to save hundreds of dollars by questioning what is going on through the mortgage and closing process as well.

Conclusion

I always try to over deliver to all my clients. This part of the reason I hope all my freely available home buyer's reports are the best on the web. You may not be a real estate client yet, but you might be soon. You took the time to visit my web site and request a free report and that is flattering. If you enjoyed this report about common first time home buyer mistakes then you may like some of our other home buying tips.

Thank you for your time reading this information. I would love any feedback you may have. You can reach me at bobbi@peoria-real-estate-info.com.

Hopefully I will be talking to you soon.

Sincerely,

Bobbi Herman

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