

Things I Wish I Knew Before Shopping for a Home

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As a financial planner, there were certain aspects of the home buying process I felt I was well-equipped to tackle. I was on top of my credit standing, I was familiar with the characteristics of a loan, and I was comfortable with planning out the household budget. Still, as with any novel endeavor, there was plenty my significant other and I could only learn along the way. Here are seven things I wish we had known before becoming first-time home buyers.



1. Shop around for a lender the same way you would shop around for a house.

In the same way you wouldn't just buy the first house you see, you probably shouldn't just go with the first lender you speak with. Different lenders will be able to offer you different interest rates on your loan, which could mean a difference of thousands of dollars over the life of the mortgage. From the beginning, it was important to us to work with a loan officer that would be extremely communicative. This really made a difference when the sellers' agent requested that updated pre-approval documentation be provided for a decision to be made that afternoon. Our lender was highly responsive and made us feel like a priority when answering our questions and addressing our concerns, all while educating us along the way.

2. Work with an awesome realtor.

In similar fashion, it was especially important to us that we work with a realtor who would take the time to explain the process to a couple of first-time homebuyers. The agent we ultimately worked with made sure to get to know us and to really understand what our goals were for a new home, both in the present and in the future.

3. Try not to fall in love.

We knew going into this that it wouldn't be easy, particularly with the state of the 2021 housing market. Even so, tempered expectations did little to dull the ache from having those first couple of offers rejected. It was near impossible to keep the mind from wandering in those few days after making an offer, thinking about all the possibilities for arranging the den, or how the backyard would be perfect for hosting a summer barbecue. Even if your offer is accepted, there are still many things that could go wrong before closing day: financing issues, significant inspection issues, low appraisals, among other things.

4. It will be an emotional rollercoaster. Manage your emotions. Patience is key.

Given the glut in inventory in our local housing market and how fierce the competition was for homes that would pend for sale after only hours of being listed, it was difficult to remain optimistic. Thoughts of, *“If I don’t make an offer on this home now, it will be gone by morning,”* and *“A home that checks this many boxes may not list for sale again anytime soon!”* We found ourselves considering offers on homes that we weren’t even excited about, just to feel like we were making progress. But our realtor grounded our emotions, reminding us that buying a home is a big decision and that we shouldn’t make offers on homes like throwing darts at a wall of Zillow listings (*again, take the time to find a great realtor!*).

5. The perfect house doesn’t exist. Be prepared to compromise.

It is important to know your preferences and goals for a home before viewing properties so that you can narrow the field. Still, the odds of finding a house that fulfills every criterion on your list is slim. When we started our search, there were several things we were seeking in our first home: a fenced-in backyard for a dog, a single-story, open floor plan for entertaining, comfortable street parking for visitors, and a central location in the city. It quickly became apparent that homes that *did* fulfill all of these fell outside of our price range. So, we rethought our priorities and expanded the search area and found a home a little farther from family but with a sizeable backyard and the space we wanted for entertaining guests.

6. The home inspection *will* find issues.

The farther along in the process we got, the more anxious we became. The home inspection was no different, and the thought of the inspection revealing a serious enough issue that would make us consider retracting our offer was enough to keep me up on some nights. But being present for the home inspection was incredibly valuable, allowing us the opportunity to ask and learn more about the home. The inspection ended up yielding a lengthy list of items for which the inspector made recommendations to either fix immediately or to have maintained or re-inspected at some point in the future. We had the peace of mind of learning more about the home and were able to negotiate with the seller to cover the costs of some of the more urgent repairs.

7. Plan for unexpected fees and closing costs.

Before we started shopping around for a home, we had been saving up with a goal in mind of making at least a 20% down payment to avoid needing mortgage insurance. What we did not account for, however, is that we were entering a market environment in 2021 where buyers were routinely offering well above the asking price just to be competitive. Further, with no guarantees on how home appraisal would fare, we found that we would need to be prepared to cover some or all of the appraisal gap to keep a deal alive if the appraisal came in low. Add on to that the costs of the home inspection, home warranty, and the fee to order the appraisal itself, as well as other miscellaneous closing costs. We ultimately accepted that we could make a smaller down payment to be able to cover the additional costs while maintaining a comfortable cash reserve for expenses, expected or not, once we moved into our new home.

This was our experience buying a home, and we were grateful for having a wonderful team to help us through the process. As with any significant financial decision, we found great value in not having to go through it alone. If you or someone you know could use assistance in planning out a budget or saving for a home, we welcome you to [reach out to one of our financial advisors today!](#)