

8 Tips for Finding Your New Home

A solid game plan can help you narrow your home buying search to find the best home for you.

When looking for your new house, make sure to take into consideration how long you plan to stay there.

House hunting is just like any other shopping expedition. If you identify exactly what you want and do some research, you'll zoom in on the home you want at the best price. These eight tips will guide you through a smart home buying process.

1. Know thyself

Understand the type of home that suits your personality. Do you prefer a new or existing home? A ranch or a multi-story home? If you're leaning toward a fixer-upper, are you truly handy, or will you need to budget for contractors?

2. Research before you look

List the features you most want in a home and identify which are necessities and which are extras. Identify three to four neighborhoods you'd like to live in based on commute time, schools, recreation, crime, and price. Then hop onto REALTOR.com to get a feel for the homes available in your price range in your favorite neighborhoods. Use the results to prioritize your wants and needs so you can add in and weed out properties from the inventory you'd like to view.

3. Get your finances in order

Generally, lenders say you can afford a home priced two to three times your gross income. Create a budget so you know how much you're comfortable spending each month on housing. Don't wait until you've found a home and made an offer to investigate financing.

Gather your financial records and meet with a lender to get a prequalification letter spelling out how much you're eligible to borrow. The lender won't necessarily consider the extra fees you'll pay when you purchase or your plans to begin a family or purchase a new car, so shop in a price range you're comfortable with. Also, presenting an offer contingent on financing will make your bid less attractive to sellers.

4. Set a moving timeline

Do you have blemishes on your credit that will take time to clear up? If you already own, have you sold your current home? If not, you'll need to factor in the time needed to sell. If you rent, when is your lease up? Do you expect interest rates to jump anytime soon? All these factors will affect your buying, closing, and moving timelines.

5. Think long term

Your future plans may dictate the type of home you'll buy. Are you looking for a starter house with plans to move up in a few years, or do you hope to stay in the home for five to 10 years? With a starter, you may need to adjust your expectations. If you plan to nest, be sure your priority list helps you identify a home you'll still love years from now.

6. Work with a REALTOR®

Ask people you trust for referrals to a real estate professional they trust. Interview agents to determine which have expertise in the neighborhoods and type of homes you're interested in. Because home buying triggers many emotions, consider whether an agent's style meshes with your personality.

Also ask if the agent specializes in buyer representation. Unlike listing agents, whose first duty is to the seller, buyers' reps work only for you even though they're typically paid by the seller. Finally, check whether agents are REALTORS®, which means they're members of the NATIONAL ASSOCIATION OF REALTORS®. NAR has been a champion of homeownership rights for more than a century.

7. Be realistic

It's OK to be picky about the home and neighborhood you want, but don't be close-minded, unrealistic, or blinded by minor imperfections. If you insist on living in a cul-de-sac, you may miss out on great homes on streets that are just as quiet and secluded.

On the flip side, don't be so swayed by a "wow" feature that you forget about other issues—like noise levels—that can have a big impact on your quality of life. Use your priority list to evaluate each property, remembering there's no such thing as the perfect home.

8. Limit the opinions you solicit

It's natural to seek reassurance when making a big financial decision. But you know that saying about too many cooks in the kitchen. If you need a second opinion, select one or two people. But remain true to your list of wants and needs so the final decision is based on criteria you've identified as important.