

Buying your first home requires careful planning

Have you always longed for a home of your own, but were afraid to take the plunge, or previously lacked the means to do so? Do you find yourself looking wistfully at "for sale" signs?

Without a doubt, buying a home is something that requires careful planning and, of course, adequate financing. It's the biggest and most important purchase you're likely to make in your lifetime - not to mention one of the smartest long-term investments.

Many consumers are finding the current housing market is affording them with a "window of opportunity" to become first-time homeowners.

Be Realistic

If you're thinking about purchasing your first home, it is essential to be realistic. Most first-time buyers want their dream home right away, complete with a white picket fence, large shade trees, rolling lawn

and several thousand square feet of living space. In most cases, this is simply not feasible.

Before you get carried away, sit down and identify your needs. How much of a down payment can you afford? What types of monthly payments can you cope with, based on your current income? What are your basic requirements in a home? What are your time parameters?

Remember that in addition to your down

payment, you will have to pay legal fees, mortgage fees, land transfer tax and closing costs. So be sure to factor these into your calculations.

Calculate on Paper

Before you start looking at homes, it's highly advisable to calculate your gross debt service (GDS) ratio. To do this, take your total monthly gross income and multiply it times 30 per cent. The resulting figure will give you the amount available for mortgage payments and property taxes.

You should also calculate your total debt service (TDS) ratio. Take your total monthly gross income and multiply it by 40 per cent. The resulting figure will give you the amount available for mortgage payments, property taxes and fixed monthly payments, such as loans and credit cards.

These ratios are used by lending institutions to qualify borrowers for mortgages. The most common type of mortgage is "conventional," where lenders will loan up to 75 per cent of the appraised value (estimated market value) of the property or purchase price — whichever is lower. The remaining 25 per cent is the amount the purchaser contributes as a down payment.

By figuring out these equations, you will gain a much more realistic idea of what you can afford. A Realtor can help you with the calculations.

Keep in mind that, in assessing you as a loan risk, lending institutions will also take a look at your overall credit rating, number of years at your present job and other factors.

Scouting Around

Once you have a good grasp of your financial situation and know exactly what you can afford, it's time to start scouting around for your first home. Your first major decision will be location. Where do you want to live?

This is where a Realtor is invaluable. He or she will be able to show you homes within your range of affordability, identify your preferences and help you find the home that is best suited to your lifestyle.

He or she will compare your needs, wants and budget with what is available on the market and make recommendations that will save you time and money.

When conveying your needs to a Realtor, remember there are many types of housing to choose from in today's market — new homes, resale homes, townhouses and condominiums.

If this is your first home, a detached home with a good-sized yard may not be within your financial reach. Be prepared to be flexible in your choices and keep an open mind. Many semi-detached homes, for instance, provide ample space and tend to be more reasonably priced.

Keep your future needs in mind as well, when looking for a house; don't buy simply for the moment.

Also make sure you tell the Realtor if there are any amenities or services that you would like to be close to — such as shopping areas, parks, local transit, schools or hospitals.

You may also want to live within a short driving or walking distance to work. Don't be afraid to ask questions.

Don't Rush

It's not a good idea to rush headlong into the purchase of a home. Think the matter over very carefully, and try to view the property more than once. Will it suit your needs? Are you prepared to make sacrifices to support the additional costs of paying for, and maintaining a home?

If you answered yes, then you are ready to join the ranks of thousands of proud homeowners throughout the province.

□ This article is provided by local realtors and the Ontario Real Estate Association (OREA) for the benefit of consumers in the real estate market.



REALTY WORLD™

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 <p>IMMEDIATE OCCUPANCY! This three bedroom end unit townhouse offers 2 1/2 baths and single garage. Asking \$129,900. You could move in today! Call Gladys Cranford* to arrange your appointment to view #116.</p>	 <p>RENT TO OWN This bungalow could be yours if you're looking for 3 bedrooms, living room & dining room & single car garage on a good size lot just 5 minutes from town. Listed at only \$204,900. Call Joan Tattrie-Hollings* for complete details about #107.</p>	 <p>\$549,000 This 5,000 sq. ft. century home is situated on 1.45 acres & offers 7 bedrooms, 4 fireplaces, large foyer, huge country kitchen, main floor nanny suite, hot tub, 2 decks & more! To arrange to view #105 call Ron MacNeil*.</p>	 <p>124 ACRE FAMILY FARM Cozy 3 bedroom stone home surrounded with mature trees offering a pastoral view. Rambling L-shaped bank barn with 20' x 80' pit silo & set up for dairy, beef or hogs. Heated workshop, hardwood bush & peaceful lane perfect for long walks! Call Jennie Fretz* for complete details. #00.</p>
 <p>\$193,500, BURLINGTON 3 bedroom sidesplit, large corner lot, 120' frontage, well landscaped front & back, spotless interior, neutral colours, fireplace, central air & vac. Pleasure to show — priced to sell. Call Don Pelz* to view #96.</p>	 <p>READY FOR YOU TO MOVE IN 3 Bedroom townhome with wainscoting in kitchen, bathroom & rec. room, re-carpeted in Sept. '91, sliding glass door from kitchen to fenced backyard, finished basement & single garage. Asking \$132,900 for this neat & clean home. To view, call W.J. (Jack) McCrudden, Broker. #106.</p>	 <p>MAKE A FRESH START! In 1993, in this spacious 2 storey, 4 bedroom home located on a quiet crescent. Main floor family & laundry rooms, central air and lots more. Immediate possession. Please call Linda Ertzly* today to view #100.</p>	 <p>STARTER OR RETIREMENT COMFORT Sitting on .45 of an acre park-like lot, with mature trees, fruit trees & flower beds. Over-size single car garage. Easily managed bungalow, L-shaped living room/dining room with wood burning stove. For your exclusive appointment to view or for more details please ask for Stewart Haddon, Associate Broker. #95.</p>
 <p>4.5 ACRES - CARLISLE PLUS a heritage home set on a hilltop with a gorgeous view! 3-bedroom brick home with add-on family room, newer wiring, some original woodwork, 3 out-buildings, 2 box stalls. Call W.J. (Jack) McCrudden, Broker, about #93.</p>	 <p>CAMPBELLVILLE ESTATE Executive bungalow on 2 acres features 3 fireplaces, Nanny's quarters, pool, tennis court, hot tub & many more amenities too numerous to list. Please call Ron Twiss* for more information or a personal inspection of #21.</p>	 <p>ELLIOTT CRESCENT Three bedroom, raised ranch bungalow offers fireplace with air-tight insert in living room, deck at rear of home, paved drive & single garage. New roof in 1992. Listed at \$174,900. Please contact W. J. (Jack) McCrudden, Broker, to view #83.</p>	 <p>COUNTRY SETTING IN TOWN 3 bedroom 1 1/2 storey with Jacuzzi tub & skylight in main bath, main floor laundry & 3 pc. bath, walk-out to deck from kitchen, balcony off master bedroom, lot size 65' x 175', includes appliances & all drapes. Listed at only \$179,000, for complete details call Joan Tattrie-Hollings*. #66.</p>
 <p>GORGEOUS TWO-STOREY 4 bdm home situated on five rolling, treed acres with a stream & six stall barn with tack room. Many incredible features are combined to create a perfect home! For complete details & your exclusive appointment to view please call W.J. (Jack) McCrudden, Broker, about #54.</p>	 <p>\$179,900 Three bedroom bungalow with nicely finished basement suitable for an in-law suite. Rec. room with wet bar, wood-stove, ceramic tile to ceiling in bath, wine cellar, 6' wood fence and greenhouse. Call Joan Tattrie-Hollings* for your appointment to view #115.</p>	 <p>FOR SALE OR LEASE Enjoy fine country living & advantages of a tight-knit community. Spacious foyer, Bruce hardwood floor, custom kit, cabinets, breakfast nook overlooks pool & patio, wall-to-wall fireplace in family room, ensuite bath with marble floors & Jacuzzi, 5 bdrms & finished loft. For info. on additional features please call Joseph Manchia* #74.</p>	 <p>FOR SALE OR LEASE Located in central Milton. Ideal for any professional. 3 floors (each approx. 2,500 sq. ft.) of commercial space and top floor has 5 apartments with individual heating & air conditioning units. For more details, call W. J. (Jack) McCrudden, Broker, about #117.</p>
 <p>FOR SALE, LOCATION FOR LEASE, LOCATION Downtown prime corner position, good exposure for many trades. Thinking of owning your own building? The Vendor would consider taking back a mortgage. For more details and for your exclusive appointment to view please ask for Stewart Haddon, Associate Broker. #14.</p>	 <p>McGEACHIE DRIVE Industrial space for lease, \$4 per sq. ft. Building size 16,800 square feet, brick-block construction. Zoned M1, best use light industrial. For complete details contact Sam Nadalin, Associate Broker or Ross Cescon* about #104.</p>	<p>Call Don Pelz* for more info. about the following:</p> <ul style="list-style-type: none"> • 5 acre picturesque, wooded corner lot, well on property, quiet area. Vendor motivated. #81. • 2 acre "L" shaped lot, frontage on Kilbride St., pond on property, building permit available. #108. • 1 to 2 acre lot on Kilbride St. with four-bedroom house, large garage & workshop at rear, scenic area, lots of mature trees. #111. 	<p>APARTMENT FOR RENT One bedroom available February 1st, \$700/month, fridge, stove, washer & dryer included. Contact W. J. (Jack) McCrudden, Broker, for more details.</p> <p>HOUSE FOR RENT Three-bedroom raised bungalow, central air and appliances, \$1,400/month. To view call J. Mark Mallalieu, Assoc. Broker.</p>

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