

Match your personal finances with the home you can afford

Take a reality check and you'll be happy

If you're thinking of purchasing your first home, you probably have a lot of great ideas about what you'd like—such as several thousand square feet of living space, a two-car garage, large fenced lot, one or two fireplaces and a panoramic view.

But it may be time for a reality check. Most first-time buyers want their dream home right away. However, that dream home likely sells for several hundred thousand dollars and the down payment is more than you earn in two years. Not to mention the mortgage payments—which are three times your monthly take-home salary!

The best way to deal with this reality is to match your financial capabilities with the home that meets as many of your needs as possible.

Many first-time buyers purchase what is commonly known as a "starter home." There's nothing wrong with this approach. In fact, it's good common sense to avoid buying a home that will stretch your budget to its breaking point. Remember, the starter home is just that—a way to get started in long-term real estate investment.

To see how much you can afford, you should take a close look at your financial situation. The vast majority of home buyers lack the funds required to buy a home without assistance from a bank or other financial institution (commonly called a lender).

So for most of us, buying our first home

means combining our savings with money borrowed through a special type of borrowing arrangement called a mortgage.

Borrowing to purchase is not only acceptable, it's desirable.

Even people buying millions of dollars' worth of real estate take this route.

Costs involved — There are two types of costs in buying a home:

- the amount of money you'll need for the initial purchase; this consists of the down payment and other costs such as legal fees and taxes, and;
- the ongoing costs of paying back your mortgage, along with monthly operating costs for utilities, maintenance, insurance and annual property taxes.

When lenders assess your ability to buy, they look at your ability to pay both types of costs in determining how much money they will lend you.

Several factors — They use several factors in judging your ability to handle a mortgage, including your income, employment record and credit worthiness. However, one way you can estimate the price range you can afford is to look at the amount of money you have available for a down payment.

The most common mortgage is a conventional mortgage.

In this type of arrangement, lenders will loan up to 75 per cent of the appraised value (estimated market value) of the property or the purchase price, whichever is lower. The remaining

25 per cent is the amount you will contribute as a down payment. If you want to buy a home that has an appraised value of \$200,000, a lender may loan you 75 per cent or \$150,000 on a conventional mortgage when you contribute a down payment of \$50,000.

If you plan to borrow funds through a conventional mortgage, multiply the money you have available for a down payment by four. For instance, if you have access to \$40,000, you may be able to purchase a home with an appraised value of \$160,000 (\$40,000 x 4 = \$160,000).

This assumes of course that you have suffi-

cient income to make the payments on a \$120,000 mortgage. Most lenders will not permit a borrower to take on a debt load the borrower can't carry. That's why reputable lenders qualify potential borrowers before issuing mortgages.

Most lenders say that your monthly housing expenses (mortgage payments and taxes), plus condominium maintenance fee, if applicable, should not exceed 30 per cent of your monthly gross family income. This is called your Gross Debt Service ratio.

If you're thinking of buying a home, talk to a realtor for more information.



JOYCE SCOTT
BROKER-OWNER
878-1526





FOOTHILLS OF ESCARPMENT
Picturesque 2.88 acres with stream, hydro & town water to the lot line.
Close to town in Milton Heights on Townline.
\$94,000

Professional real estate services just a phone call away.
Call Joyce.

CHRISTIE & WOODS REAL ESTATE LTD.

189 Main Street, Milton



KILBRIDE
Cosy bungalow. Well maintained, 3 bedrooms, large eat-in kitchen, family room, back yard offers privacy. Asking \$149,900.



77 SCENIC ACRES
4 bedroom brick 2 storey home, spacious eat-in kitchen separate dining room & living room, bright family room with wood burning stove, economical ground source heating. call Yvonne 878-2095



SPECTACULAR VIEW! TOP OF MOUNTAIN!
28 beautiful wooded acres, trails, Milton. Tennis court, guest cabin, 4 bdrm. contemporary home, eat-in kitchen, dining & living room with fireplace, library, office, atrium, indoor pool. Call Yvonne.




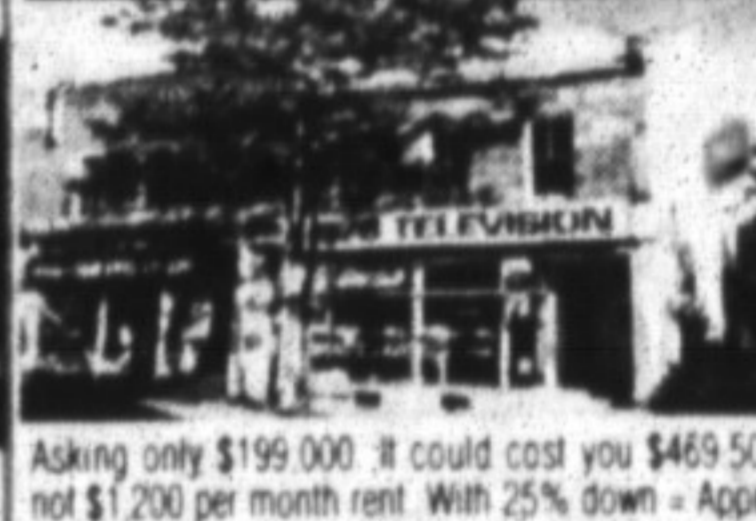




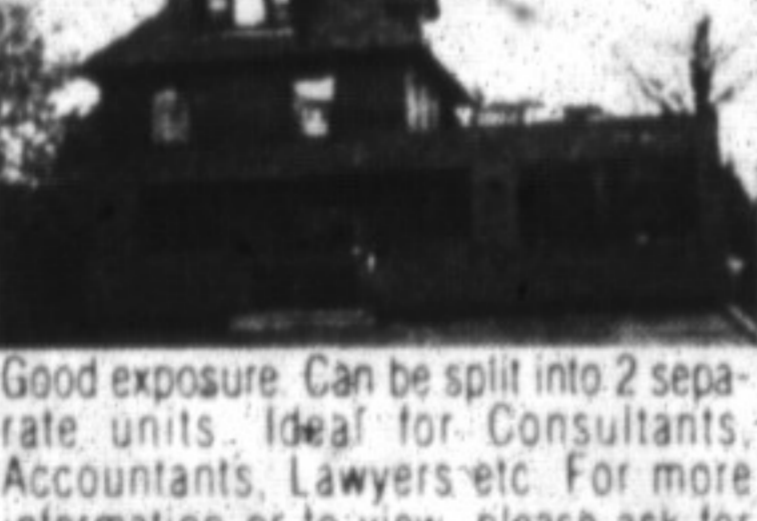
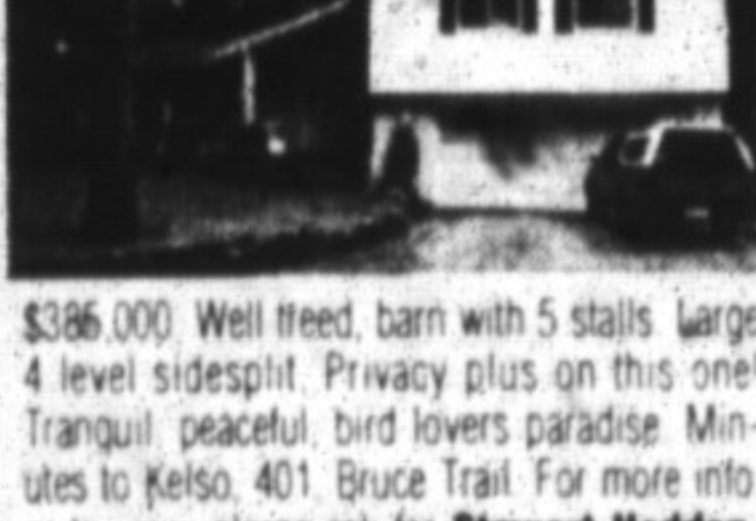
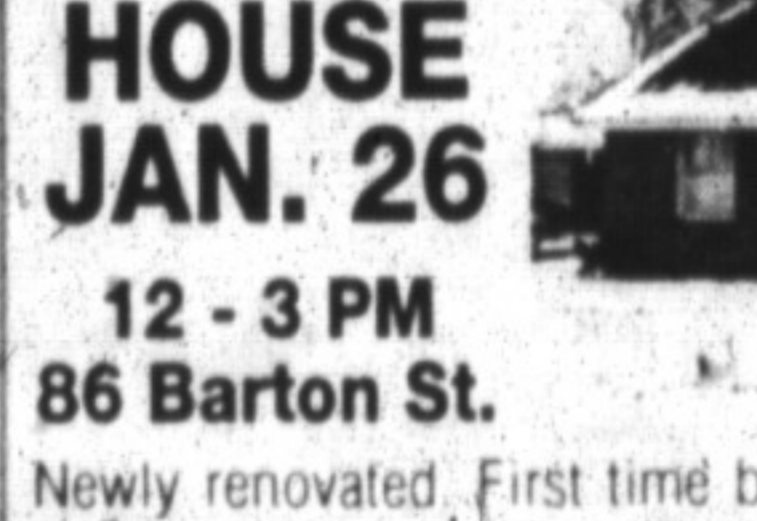


WANTED
NEW LISTINGS IN TOWN FOR CASH BUYERS
\$150,000 TO \$180,000
Please call Cam or Yvonne
Yvonne Christie — Broker/Owner
878-2095 *Sales Rep.
Cameron Gall 876-4532 Allan Christie 878-2095
Don Peiz 878-1029



REALTY WORLD

MILLPOND REALTY INC., REALTOR

500 Steeles Ave., Milton **876-0633**
24 Hour Answering Service <http://www.millpond.on.ca>

								
<p>THREE BEDROOM HOME IN OLD MILTON</p>  <p>Oak floors & banister, high ceilings. Character not easily found today. Asking only \$174,900. For more details or to view, please call Mark Mallalieu, Broker at 876-0633. http://www.mls.ca</p>	<p>PRIVACY! QUIET! 401 ACCESS! - \$299,000</p>  <p>6.2 landscaped acres in Campbellville. Greenhouse kitchen with oak cupboards. Main floor laundry. High ceilings. Super clean and tidy. Excellent drinking water. A real joy to view. For more details or to view, please call Mark Mallalieu, Broker at 876-0633. http://www.mls.ca</p>	<p>FINISHED OFFICE SPACE</p>  <p>Starting at \$200. For more details or to view, please call Mark Mallalieu, Broker at 876-0633. http://www.mls.ca</p>	<p>HOW'S YOUR MATH?</p>  <p>Asking only \$199,000. It could cost you \$469.50 + not \$1,200 per month rent. With 25% down - Approx. \$150,000. Mortgage at 8% = \$1,144.50 minus the income of \$675 rent = Approx. \$469.50 per month mortgage. This is a possibility depending on your credit rating, the mortgage rate, term and amortization. For more information or to view, please ask for Stewart Haddon, Assoc. Broker at 876-0633 or Res. 878-3333. http://www.mls.ca</p>	<p>GOOD MAIN STREET EXPOSURE</p>  <p>Lawyer, doctor, dentist, accountant, optician, chiropractor. Asking only \$164,900. For more info. or to view, please ask for Stewart Haddon, Assoc. Broker at 876-0633 or Res. 878-3333. http://www.mls.ca</p>				
<p>THE SECOND FLOOR FOR THE PROFESSIONALS</p>  <p>Good exposure. Can be split into 2 separate units. Ideal for Consultants, Accountants, Lawyers etc. For more information or to view, please ask for Stewart Haddon, Assoc. Broker at 876-0633 or Res. 878-3333. http://www.mls.ca</p>	<p>500' PRIVATE DRIVEWAY?</p>  <p>\$386,000. Well treed, barn with 5 stalls. Large 4 level sidesplit. Privacy plus on this one! Tranquil peaceful bird lovers paradise. Minutes to Kelso, 401, Bruce Trail. For more info. or to view, please ask for Stewart Haddon, Assoc. Broker at 876-0633 or Res. 878-3333. http://www.mls.ca</p>	<p>4 BEDROOM BUNGALOW</p> <p>OPEN HOUSE JAN. 26 12 - 3 PM 86 Barton St. Newly renovated. First time buyers call now! This one will not last! For more details or to view, please call Domenico Manchisi, Sales Rep. at 876-0633. http://www.mls.ca</p>		<p>GORGEOUS TOWNHOUSE IN GEORGETOWN</p>  <p>OPEN HOUSE JAN. 19, 12 - 3 PM 14 BRIAN #101 GEORGETOWN Move-in condition! 10' end unit with finished basement. Low condo fees. Looking for your first home? This is it! Call Mickey Galekovic, Sales Rep. at 876-0633 today. http://www.mls.ca</p>				
<p>EXECUTIVE 4 BEDROOM HOME</p>  <p>Situated on a corner lot with a fully fenced private yard, large eat-in kitchen with w.o. This charming tudor style home has central air and many upgrades. Move in and enjoy for only \$219,900.00! Please call Domenico Manchisi, Sales Rep. for your appointment today at 876-0633. http://www.mls.ca</p>	<p>MAIN STREET EXECUTIVE CENTRE - \$849,900.00!!</p>  <p>Prime commercial building in the heart of Milton. Detailed prospectus available. Vendor may assist with financing. Please call Joseph Manchisi, Sales Rep. for your appointment today at 876-0633. http://www.mls.ca</p>	<p>FIRST TIME BUYERS CALL NOW!</p>  <p>Detached 1 1/2 storey home. This one will not last! Almost 1/2 acre. Please call Domenico Manchisi, Sales Rep. at 876-0633 for your appointment today! http://www.mls.ca</p>	<p>FIRST TIME BUYERS CALL NOW!</p>  <p>This attractive 2 bedroom bungalow has been recently renovated. Large lot! 2 bedroom in-law suite. Won't last long! Act now! Please call Domenico Manchisi, Sales Rep. at 876-0633 for your appointment today! http://www.mls.ca</p>	<p>COUNTRY PROPERTY</p>  <p>Executive style 2 storey home on 1 acre of land. Fully finished throughout, walkout to a large patio in back. Beautifully maintained and landscaped. Fully finished basement. Please call Mickey Galekovic, Sales Rep. at 876-0633 for your appointment today. http://www.mls.ca</p>				
<p>COMMERCIAL SPACE Approximately 1,000 sq. ft. for lease. For more details please call Domenico Manchisi, Sales Rep. at 876-0633. http://www.mls.ca</p>			<p>4 PLEX IN HALTON HILLS - GREAT INVESTMENT! 4 apartments with separate entrances. Large lot on quiet street. Generates approx. \$22,000 per year gross. Please call Mickey Galekovic, Sales Rep for details at 876-0633. http://www.mls.ca</p>					