

## **Second in a three-part series for first-time homebuyers**

*The first article in the series, “Start early to meet stricter lending standards,” explains to first-time buyers how to get lower interest rates and determine the price and monthly payments they can afford.*

### **Making the right decisions *before* you buy a home**

“Many things drive the decision to buy a specific home,” said Paul Gershkowitz, first vice president of retail lending for Berkshire Bank Home Lending, a partner in the MTA Mortgage Program. “Commuting distance, schools, lifestyle, tax rates and real estate values are some of the most important.”

How can first-time buyers make the *right* decision – selecting the right home in the location they want at a price they can afford?

“The answer is to start early and develop a plan – before even looking for a house,” said Gershkowitz. “Using a checklist as a guide, buyers should gather information on the marketplace by doing extensive online research, getting referrals from other homebuyers and talking to real estate professionals. The final step is narrowing down the search to a specific home type, locations and Realtor.”

Gershkowitz noted, “According to a recent survey by Discover Home Loans, more and more buyers are using online technology to help with the homebuying process. It saves time and makes buyers more knowledgeable and comfortable with decisions they make.”

#### **Developing a simple checklist**

The following checklist can help buyers determine what type of home, commute and location they want and which Realtor to use. The websites noted in this article are some of the resources available to help in making decisions. Buyers should be aware, however, that the accuracy of information on these sites cannot be verified.

#### **TYPE OF HOME**

##### **Condo**

- Do you want someone else to handle maintenance and repairs?

- Are you prepared to pay monthly association fees?
- Will you have funds available for any special assessment costs?
- Do you want the amenities offered in a condo community?

If you answered “yes” above, a condo may be the right choice for you. **Find out more about condo living and costs at [www.allaboutcondoliving.com](http://www.allaboutcondoliving.com).**

### **Single-family home**

- Do you want privacy and space for a growing family?
- Are you willing to take care of maintenance and repairs?

You are among the majority who prefer single-family homes if you answered “yes” to these questions. **Visit <http://revnyou.com/Multifamily-vs-Single-Family-Real-Estate-Investing/> for more information on the pros and cons of multifamily and single-family homes.**

### **Multifamily home**

- Do you want to offset some costs of homeownership by renting out part of the property?
- Are you prepared to cover total mortgage payments if some rent payments stop?

If you responded “yes” to the questions above, you are a candidate for a multifamily home.

### **COMMUTE**

You may be willing to have a longer commute if you can get the right home at a lower price. But commuting farther comes with a price of its own.

- What will be the additional costs each year for gas, maintenance and car depreciation?  
How does this compare with the money you save with a lower-priced home?
- What about the wear and tear on you?

**Determine driving costs with a commute calculator found on [www.icommutesd.com/Commuters/Calculator.aspx](http://www.icommutesd.com/Commuters/Calculator.aspx).**

### **LOCATION**

Which of the following environments most appeals to you?

- City
- Town
- Suburb
- Country setting

Once you decide, select which areas within that environment are the best choices for you.

**Websites such as *www.Zillow.com* and *www.Trulia.com* can help you with an overview of real estate in these areas, and *www.City-Data.com* provides geographical data and statistics on crime, cost of living, climate, hospitals, schools, air pollution and other quality-of-life issues.**

## **REALTOR**

Ask for referrals from people who have had good experiences with a local Realtor. As a rule, choose a buyer's broker – whose allegiance is to you – rather than a traditional broker, who represents the seller.

“Whatever you do, never let on that you’ve fallen in love with a home,” said Gershkowitz. “You lose all your bargaining power.”

**For more information on the homebuying process and all the benefits you receive as an MTA member from Berkshire Bank, please contact 866.475.HOME (4663) or e-mail *HomeLending@BerkshireBank.com*.**