



3 powerful questions to ask before jumping into home ownership

Posted on: 09/06/2016

The Great Australian Dream: buying your first home.

Buying your first home - the great Australian dream - can be an excellent investment, but think carefully and make sure that home ownership is the right choice for you right now.

If you are thinking about leaving your landlord behind, to head into the first home-owners market, you need to ask yourself some hard questions before you start shopping. If you have not yet asked yourself these three critical questions, you are not ready to buy just yet.

'leaving your landlord behind to head into the first home owners market.'

1. Can I Afford Both the Mortgage Payment and the Other Carrying Costs?

Even if you have done all the sums and assessed your financial situation, you may be underestimating the cost of home ownership. Many former renters feel blindsided by things like home repairs, rates, insurances and other ongoing costs.

All those little costs can add up, and setting up in a new home can set you back many thousands of dollars. Make sure you include the upfront costs when determining how much you can comfortably afford. It is always better to err on the side of caution instead of stretching to make the mortgage.

'err on the side of caution.'

2. How much is the home I want really worth?

A real estate cannot tell you directly what a given home is worth, but using online tools you can do some valuable and accurate homework yourself. Sites like homevaluationguide.net.au can provide you with comparable sales, and you can use that sale information to gauge how much the home you have your eye on is worth. At Next Address also have a great blog '[How much is this house worth?](#)' which details loads of other online free resources you can use to determine a property's worth.

Online real estate sites provide not only comparable sale information but historical price information as well. You can see what the home sold for when it was first built, and how much it appreciated every time it changed hands. These online resources can prevent you from overpaying -- or making an offer so low it is sure to be rejected.

At Next Address, we work with APM Price Finder, which collates valuable information on properties. A simple request to us and we may have information to help guide you with your decision.

'These online resources can prevent you from overpaying.'

3. How flexible is the price?

Do your research. You need to walk a fine line when putting in an offer. If you lowball the seller and cause offence, you could lose out on the home of your dreams. If your bid is too high, you could end up paying for that mistake for decades as the mortgage ticks by.

One of the best ways to gauge the flexibility of the asking price is to do your research. Coming into the offer armed with local knowledge will help with your negotiation.

'You need to walk a fine line when putting in an offer.'

Asking these questions now can save you a world of trouble later on. Buying a first home is a major commitment, and making a mistake now could haunt you for decades to come.

Now.....if you've done your self-assessment and you're ready to jump into the property market, there are two

things you need to do. Fill in [your wish list](#) and let us find your dream home and we can always do a free valuation guide on a property you are keen on. Just reach out via our [contact form](#).

Next Address - Together, we get you moving

More blogs

[8 astonishingly simple tips all first home buyers should not ignore](#)

[8 first home buyer mistakes not to make!](#)

<https://nextaddress.com.au/blog/3-powerful-questions-to-ask-before-jumping-into-home-ownership>