

## HOME

# A Primer for First-Time Homebuyers

NewsUSA

(NU) - Sponsored by GAF - Finally ready to take the plunge? Join the club.

After having waited on the sidelines for what seemed like forever, first-time homebuyers last year made 38 percent of all U.S. single-family home purchases - the biggest share since 2000 - and the 2.07 million new or existing houses they bought ended up being 7 percent more than in 2016, Bloomberg.com reported.

“Pent-up demand” is how the news site described it, citing Millennials as one of the driving forces.

But the market for house-hunting newbies like yourself has changed considerably from that most recent high mark of nearly two decades ago. And you know what they say: “Forewarned is forearmed.” Read on.

### • Inventory is tight.

So tight, in fact - especially for lower-priced starter-homes - that, as the Wall Street Journal wrote, even “buyers in historically calm markets such as Boise, Idaho, and Minneapolis are facing bidding wars, prompting them to dig deep into their coffers to win deals.”

Not into bidding wars? Well, there’s always Little Rock, Arkansas.

Unlike Denver, Seattle and San Francisco - which LendingTree named the “most challenging” cities in the nation for first-time buyers - Little Rock was rated a veritable paradise for house hunters.

### • There’s still a lot of all-cash buyers out there, so don’t be afraid to get creative.

Though the number of all-cash transactions peaked at 40 percent in 2011 and 2012 - with savvy investors still taking advantage of the subprime mortgage crisis by buying up homes many then rented out - last year’s 28.8 percent figure remains above normal. (One reason for the tight inventory: “Investors (are) making too much money as landlords to sell,” according to MarketWatch.com.)

Granted, you’re at a disadvantage if someone else waves \$500,000 in cash in front of a seller even if you arrive pre-approved for a mortgage. However, HDTV.com tells the story of a couple who got a “great deal” on their Denver home - yes, Denver - by adding a



contingency to their \$300,000 bid that they’d pay \$1,000 over any other competing offer up to a maximum of \$329,000.

“Although unconventional,” the site admitted, “a creative strategy like this can be very effective in today’s market.”

### • Don’t automatically reject a fixer-upper because you’re not handy enough to fix things like the roof.

Everyone knows you can save a bundle by buying a house that needs work, but some things - including electrical system overhauls and extensive roof repairs - are safer left to the pros. So the question becomes this: How far ahead would you come out, financially, after deducting those costs from the house’s likely post-renovation market value?

“An attractive roof is the ultimate curb enhancer, so it’s important to figure that into your calculations,” said Patsy O’Neill, a sales associate with Sotheby’s in Montclair, New Jersey.

You can play around with different looks (i.e., Victorian vs. ranch) by using the free Virtual Home Remodeler launched by GAF (gaf.com), North America’s largest roofing manufacturer. And the website’s GAF Master Elite Contractor database can help you find the most reputable and adequately insured professionals in your area.

### • You may be being watched. Literally.

With owners leeries these days of strangers walking through their properties, they’re increasingly employing devices capable of tracking prospective buyers’ conversations and actions.

Yes, it can be creepy. The bigger danger, though, as MarketWatch.com noted, is that - if you don’t watch what you’re saying - there’s “a real risk” of tipping your hand enough that you wind up overpaying.