

How Much of a New Home Can You Afford?

If you're thinking of shopping for a new home, one of the first considerations is price range. You want to know what you can reasonably afford.

How do you figure that out?

First of all, you need to determine the initial out-of-pocket costs you will need to cover. There are often more costs associated with purchasing a home than its actual price. You need to take into account such additional expenses as moving costs, legal fees, and a home inspection, not to mention the costs of prepping your current property for sale.

Experts say you should budget 5-10% above the purchase price for these items. So if you can afford to spend \$470K on a new home, you should be shopping in the \$425-445K range.

Another factor to consider are the potential proceeds from the sale of your current home. Your REALTOR® can help you determine how much your property will likely sell for in today's market. Any existing mortgage will need to be subtracted from that amount to determine how much cash will be left.

Of course, you should speak to a mortgage broker or lender who can compute how much of a mortgage you qualify for. Remember, qualifying for a big mortgage doesn't necessarily mean you should have one. You also need to consider your



personal finances and desired lifestyle – and whether or not having a large mortgage is a good idea for you.

Once you have gathered all of your information, you can add any potential sale proceeds to the amount of mortgage you qualify for, add other sources of cash available for this purpose and subtract 5-10% for initial expenses, and you'll have an idea of the price range you should be considering.

Finally, it's important to take the time to decide what kind of home you want. Do you want a large backyard with trees? A quiet, family-oriented neighbourhood? Four bedrooms and a finished basement? Once you decide what you want most in a new home, it becomes much easier to find one that's in your price range.

Need help deciding how much you can afford when shopping for a new home? Call today.

Avoiding Moisture Problems in the Home



There are many hidden sources of moisture in your home that can lead to serious problems, such as mould. To keep moisture levels in check, consider these tips:

- Bathrooms are an obvious source of moisture build-up. Contractor and TV personality Mike Holmes recommends keeping the fan going for at least a half hour after a shower.
- Check regularly for water infiltration around window and door sills, as well as other intakes into the home, such as dryer vents and cable wiring.
- Determine the humidity level in your home. According to the Environmental Protection Agency, it should be 30-60%. (Keep in mind that humidity may vary greatly from room to room.)
- Regularly inspect caulking around sinks, tubs and showers. Even a tiny break can cause water to leak gradually into the wall or floor, causing damage you may not notice for months.
- Clean up wet spills as soon as possible. On hardwood floors especially, water can seep through and become trapped.
- Repair leaking faucets, toilets and pipes immediately. A drip can quickly become a shower.

Being mindful of moisture today can help you avoid potentially high repair bills later on.

Think, Act... Live!

"When everything seems to go against you, remember that an airplane takes off against the wind." Henry Ford

"It doesn't matter how slowly you go so long as you don't stop." Confucius

"Life is not measured by the number of breaths we take, but by the moments that take our breath away." Maya Angelou