

SOUND OFF

Q: What are some financial issues that can arise when buying a home?

A: For most people, real estate transactions are the largest single financial issue they will deal with during their lifetime. If you are financially prepared for the costs associated with owning a home, it may be the best choice, as it will allow you to build equity that you can benefit from for years to come.

The first step is determining the price range you are able to afford. This is done by qualifying for a mortgage or saving enough cash. Some upfront expenses the buyer must be prepared to pay are: the down payment (10 percent of the purchase price), inspections on the home (radon, well, septic), property survey, bank charges for mortgages, attorney fees, title search, title insurance and recording fee.

Once you own a home, you are responsible for paying: property taxes, home insurance, ongoing maintenance and utility bills. It's also smart to have a cash fund for emergencies, such as storm damage, a broken water heater, leaky



faucet or myriad problems that could arise at any time.

Depending on negotiations and the contract agreement, there also could be immediate major/minor costs for repairs/renovations on the home. Buyers are much more savvy and really do their "homework" before purchasing nowadays. Technology makes accessing information and expert advice much easier.

Calculating all of the possible costs associated with purchasing a home will help to eliminate surprises later on.

Jill Kelly, Sotheby's International Realty, 203-869-4343