Dream home decisions: a blueprint for home buying

From mortgages, to house inspections, to clauses and transfer taxes: buying a home can be a very intimidating process. Whether you're a seasoned homebuyer or a property virgin, it's a challenging but extremely rewarding purchase. While on the hunt for your dream home you need to find a way to prioritize between what you want and what you need and properly prepare yourself to make an informed investment. To help you find your dream home, be sure to:



Do the math. Your search needs be based on what you can realistically afford and not what the bank decides is appropriate. The traditional limit for a mortgage is 28 percent of your gross monthly income, but make sure you do your own math first. Compare your expected income to personal debt, living expenses and savings while leaving room for home repairs and maintenance, maternity or paternity leaves, the cost of future children, travel and any other personal spending habits. Speak to an accountant or financial advisor to help you crunch the numbers.

Find funding. It's always a good idea to apply for a mortgage as soon as you start the house hunt. Shop around and take a good look at interest rates, closing costs and bank fees and get your approval in place. This will confirm that your budget is possible while giving you the upper hand in a multiple offer situation.

Brainstorm, brainstorm, brainstorm. Now it's time to sit down and take a long hard look at what you want. This is the first step to finding a new home. At this point don't focus on prioritizing; you can fine-tune your must-haves during the next phase. Consider what type of home you're looking for—apartment, condo, newbuild, old character home, ranch, two-story, etc. How many bedrooms and bathrooms does your family need? What about yard size, storage and your ideal neighbourhood? Rack your brain and create a list of what you would like your new home to be. You should also consider what you don't want in your home or the "deal breakers."

Get organized. Once you've put together your list, put your thoughts into two categories: "wants" and "needs." You're going to have to be ruthless to figure out what you can't live without and what you would like to have. Your "needs" pile should be significantly smaller than your "wants." Many homebuyers make the mistake of missing a home that fits their needs perfectly in search for one that has everything they want.

Prioritize. After separating your wish list it's time to start ranking. Number each requirement according to its importance in both categories. This isn't an easy task and you're going to run into some tough decisions. If you can't figure out the priority of a few items, list the benefits and drawbacks of each to find your winner. Keep in mind that the first priority in your needs category should always be the price. This process will help you figure out what really matters to you and your family while keeping you on track and focused. Just realize that you will probably have to make sacrifices and exceptions along the way.

Make a checklist. Now that you've brainstormed, organized and prioritized, create your ideal home checklist by writing your needs and wants in order of importance. Bring this checklist to every house you visit so you can easily compare and eliminate properties.

Start your search. You're now ready to start looking for your new home. Share your list with your real estate agent so they can bring you to the properties that meet your needs. That way you won't waste valuable time looking at homes that are completely wrong for you.

By putting in a bit of time before you jump into the real estate market you can find your focus, realize what you actually need and where you're willing to compromise. This will bring you that much closer to finding your dream space and the pride and excitement that comes with home ownership.