

Step 5: Choose a Home.

There's no doubt that choosing a home is a big decision and you want to do it right.

As a buyer, here's what actually happens. A home has been placed on the market for which the seller has established an asking price as well as other terms. In effect, this is an offer. At this point, you have three choices: accept the seller's offer and create a contract; reject it and not make an offer; or suggest different terms and make a counter-offer. If you choose this last option, the seller may accept, reject or make a counter-offer.

No aspect of the homebuying process is more complex, personal or variable than bargaining between buyers and sellers. This is the point where the value of an experienced REALTOR® is clearly evident because he or she knows the community, has seen numerous homes for sale, knows local values and has spent years negotiating realty transactions.

Is it THE house?

A house is shelter, but a home is far more. It's where you live, relax, entertain friends, raise families, and work. A home is where you spend much of your life, and so choosing a house is an enormous decision.

How do you know if a house is THE one? Probably the best approach is to look at as many homes as possible, something made easy by Realtor.com, where you can quickly and easily view huge numbers of homes, check prices, take video tours and view extensive neighborhood information. Once your choices have been narrowed, you can then contact a local REALTOR® to find specific information and options.

Can you really afford it?

Remember Step 2 - the pre-approval process? Getting pre-approved means you have a very good idea of how much you can borrow, what loan programs will most likely work best in your situation and how much home you can afford.

How reliable is a pre-approval? While pre-approval is not a loan commitment, it's still necessary for lenders to check such items as appraisals and the latest credit reports. Despite fluctuating interest rates, pre-approval nonetheless provides a reasoned, careful analysis of what you can afford. After all, loan officers are routinely paid only when loans are originated. It doesn't make much sense for loan officers to suggest high loan limits that later can't be delivered.

