

Stop Paying Rent – A guide to becoming a homeowner rather than a home-renter

From basement suites to full houses, renting is a huge business in this country. If you currently rent, you know that paying out those hundreds of dollars every month to line the pockets of your landlord is not a pleasant task. However, like most renters you probably feel stuck in a home that isn't even yours simply because you can't save up that down payment for your own home.

This report contains details on how you can stop paying rent and start contributing to your own financial future, rather than that of your landlord. By knowing some valuable information about the real estate industry, as well as some tips and tricks about property ownership, you'll be able to start on the road from renting to owning. This report will tell you how you can:

- Save for a down payment for your property
- Make best use of your financial institution, and other loan sources
- Consider reversing the rental roles

7 Little-known Facts That Can Help You Purchase Your First Home

Purchasing your first home can be challenging. Your monthly cash flow may easily cover the proposed mortgage costs, but perhaps accumulating the down payment is what you find difficult. Or maybe you have financial reserves, but cash flow is what's holding you back. Whatever the reasons, purchasing a new property can still be accomplished, regardless of your financial standing. Consider the following facts:

The down payment on your property doesn't have to be as large as you think

Several programs exist to help first-time buyers enter the property market. These programs require that you have never purchased a home before, and that you meet basic qualification standards. It is important that you consult a professional real estate agent who is familiar with these programs, so that you may make the best use of them.

In some areas it is also possible to assume a mortgage. If this is an option in your area, your real estate agent will be able to perform search on listings requiring small to no down payments.

Your lender may help you with your down payment and closing costs

Depending on your financial standing, you may have assets worth equal to or more than your needed down payment. If this is the case, your financial institution may be willing to lend you the extra cash needed for your down payment, while securing it against your assets.

The seller may assist you in purchasing your home

Some sellers may be willing to lend you money to purchase the home. This is known as a 'seller take-back' and is essentially a loan from the seller to the buyer. Instead of your monthly mortgage payments going to a financial institution, they would go directly to the seller. This loan works in exactly the same way as any other, and is subject to the rules and regulations outlined upon instantiation.

You may be able to borrow without going into debt

Options exist for you to borrow for certain investments to a specified level, and using those investments to leverage a significant tax return. This process can be further coupled with a first-time homebuyer's plan, and turned into significant equity.

You can also borrow against savings in an RRSP, and if repaid in a certain time period, avoid any interest payments.

While purchasing, consider becoming a landlord yourself

If you're interested in subsidizing your mortgage payments with some supplemental income, why not consider becoming a landlord yourself? Houses and condos with extra bedrooms and living facilities are often not much more expensive than those without. If you have been pre-approved for a mortgage that allows you to purchase a larger property, why not consider renting out the extra space and having a tenant pay your mortgage?

You may be able to secure a loan even with a lower credit rating

Oftentimes it is possible to secure a loan, even with a poor credit rating. If you have enough equity to borrow against, your financial institution may consider lending you money to purchase a home.

It is also possible to use a 'seller take-back' loan for the purchase, using the seller as the lender.

Secure a mortgage before you begin your searching

Before you begin looking for a property, you should get pre-approved for a mortgage. It is important to make sure that you know your budget, as well as your monthly payments to make sure that they are within your means. Enlisting the help of a professional mortgage specialist is a good idea when it comes to locating a loan that meets your needs. Oftentimes a professional will be able to locate more competitive mortgage rates than those offered by a single financial institution. There is usually no obligation, and the benefits of knowing your buying power while shopping for your home reduce stress and wasted time.

Where to go from here?

This report is designed to illustrate that you have options other than paying large monthly payments to your landlord. It is clear that with a little creativity and help from a real estate professional, you can make the break from renting to owning.

Make sure to consider your options – this report is not designed to make you feel obligated to purchase a home. If you're interested in more information, please contact your real estate agent.