

# Quick Tips

Ideas for a Creative Lifestyle



**Sandy Krestan**

License:153369

Certified Mortgage Planner

The Krestan Team at Fairway Independent Mortgage

Phone: 602-820-5166

BK 0118867

[TheKrestanTeam@Fairwaymc.com](mailto:TheKrestanTeam@Fairwaymc.com)

[www.SandyKrestan.com](http://www.SandyKrestan.com)



## When to Stop Renting and Buy a House

Although renting a home gives you the flexibility to move whenever you want, being a homeowner affords you long-term equity, lower overall monthly costs, and pride in calling something your own. How do you know if it's a good time to stop renting and take the plunge into homeownership?

**Rent Continues to Increase.** Rising rent prices are frustrating, especially when there's nothing you can do about it. Rental property owners typically inflate their own monthly costs so they can turn a profit. Increasing rent prices can make it harder to budget for monthly housing costs. Depending on your neighborhood, the cost of renting might be higher than the average monthly mortgage of a single-family home.

**You've Managed Your Debt Well.** Lenders take a good look at the amount of debt you have and how you've managed it. Most lenders want you to have a debt-to-income (DTI) ratio of 45% or lower, although some conventional loans allow you to have a 50% DTI as long as you have decent credit. Calculate your DTI by adding up your monthly payments and then dividing that number by your gross monthly income. The higher the DTI, the riskier a lender perceives you to be.

**You're Ready to Settle Down.** This reason is a little more subjective, but it's an important one. Make sure you're ready for everything that comes along with it. Real estate continues to be a solid long-term investment opportunity, but you have to wait several years. If you will be in the vicinity for the foreseeable future, you might be ready to buy a home.

Going from a renter to a homeowner can be a daunting task, but an experienced loan officer can help you with the process. If you're ready to stop renting and purchase a home, reach out to a mortgage professional.

Sources: Amerifirst.com, Citizensvoice.com, Housingwire.com, Maxrealestateexposure.com, Mymove.com, Realtygroupcapecode.com

