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RESOURCES FOR SINGLE FIRST-TIME BUYERS | VOLUME 11



Moving Out of Your Parents' Home

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There comes a time when free food and splurge money are not enough to keep you living in your parents' home. So the big day looms. You're leaving the nest and this time is not like when you moved away for school. This is the first step to 'adulting' and taking control of your own destiny. Adventure calls, but you want to do this transition right.

The first question is will you rent or buy? Whether singles or couples, most young people start out renting their accommodation until they can save their down payment. But about a third of millennials, and growing, are resisting the clarion call of freedom and staying at their parents' home to save money and establish a good credit rating. Some lucky first time buyers are also able to top up savings from the Bank of Mom & Dad.



Serious deprivations required to save a down payment might include cooking at home vs. eating out, resisting shopping mall temptation, paying off then cutting credit cards, cancelling club and gym memberships, and embracing staycations. But it's all worthwhile to be financially prepared to buy your first home or condo right away.

Before you buy, meet with a mortgage broker or your bank manager. They will calculate how much mortgage you qualify for by taking into account your gross income, debts, credit history and savings. If possible, get a mortgage pre-approval letter. On top of your monthly mortgage payments, consider also condo fees, utilities, insurance, property taxes and closing costs like moving expenses and furniture. Once you know how much home you can really afford, you're ready to start shopping.

Fast forward and... congratulations are in order. You found a home! Remember that budget you were forced to live with while you were saving? Yeh, that's probably a full time thing now. Except you can and should add in a few life-affirming items, such as a holiday once-in-a-while and a few nights on the town a month and some new clothes. Because happiness. You're now a homeowner. You're all grown up.