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## Should You Invest In a Starter Home or Forever Home?

You've finally saved up enough to put a down payment on a house, and you're ready to put renting behind you for good. But you're torn between a few different property options. Part of you might want to save money by purchasing a starter home, and part of you might want to settle down and find your forever home. No matter your approach to house hunting, [Earl Anderson](#) with Trower Realtors, Inc. can help you [every step](#) of the way! Furthermore, you can weigh these considerations as you decide whether you want to buy a starter home or forever home.

### **The Benefits of a Starter Home**

If your budget for a down payment is a bit tight, and you don't want to overextend yourself on monthly payments, you may be the right buyer for a starter home. Buying a starter home is the best way to break into the housing market without spending big - plus, you could [potentially](#) rent it out down the road. And if you know that you'll be moving in the future, you won't feel like you're under pressure to [find](#) the "perfect home."

## **Cost Saver?**

Buying a starter home does come with a wide range of perks. But on the flip side, there are also a few issues that could crop up. For example, if you want to save lots of money on your purchase, you might be tempted to buy an REO - real estate owned - home for a low price. Properties become REO if the owner's loan defaulted or they ended up in foreclosure or at auction.

## **Foreclosures Come With Risks**

Basically, the [foreclosure definition](#) is that the owner couldn't pay for the house and the bank repossessed it. Sometimes these are fantastic finds, but it's a gamble where you take on a high level of risk, as the seller will not be obligated to make any repairs. You could discover serious structural issues once you move in.

## **Get Some Advice**

If you plan to acquire a cheap starter home by buying a property "as is," you'll want to talk to a lawyer first, inspect the property personally, and check out the land records to look for red flags.

## **Other Considerations**

Starter homes can come with a few other drawbacks, too. For example, your home might be a little smaller than would be ideal – particularly if you're planning on adding to your family. And if you do decide to sell it in the future, it may take you longer to find a buyer than you originally anticipated.

## **The Upside of a Forever Home**

Buying a forever home means that you can truly relax. You won't have to go through the stressful process of moving again. You'll have more space to enjoy with your family, and you can even grow your family without worrying that you'll be [cramped](#). As long as a forever home is within your budget and in a location that makes sense for both now and down the road, it can be a great choice.

## **Forever Home Pitfalls**

Naturally, the higher price of a forever home can discourage would-be buyers from putting down an offer. If you do feel like you're ready to put roots down, you'll need to save up a larger down payment and prepare for heftier mortgage payments. To save more money, Young and Thrifty [recommends](#) going over your budget to cut down on any unnecessary spending - you can even look into big lifestyle changes, like temporarily moving to a cheaper neighborhood to save on rent.

Upkeep for your forever home can also be more expensive, so you'll want to save up a substantial home maintenance fund. Greedy Rate recommends budgeting [three to five percent](#) of your home's value on annual maintenance.

Regardless of whether you buy a starter home or forever home, becoming a homeowner is a major, life-changing commitment. This is not a decision that you should make lightly. By going over the pros and cons of several housing options, you'll be able to make the best possible choice for yourself and your family.

Are you on the market for a new home? Find your starter home or your forever home with [Earl Anderson](#) with Trower Realtors, Inc.! Fill out the [contact form](#) on our website to kickstart your search.

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