

## How Much Should You Budget for your Next Home?

If it's been a while since you last moved, you might be wondering how much you'll need to spend on your next home. That's an important question to answer, even if you're just at the "thinking about it" stage and haven't decided whether or not you'll look for a new property.

After all, knowing your budget might influence your decision.

How should you determine your budget?

The first step is to calculate the maximum you can spend. This involves adding the money you'll get from the sale of your current property after repaying your outstanding mortgage, to any other funds you have available to invest plus the maximum amount of mortgage you qualify to receive.

Of course, just because you may qualify for a large mortgage doesn't mean you want those bigger payments. So, the second step is to think about your needs. What features are a *must* in your next home? For example, you might want four bedrooms and anything less would be a deal-breaker.

Make a "must-have list". That list can be used to find a baseline of properties on the market — and then find their average asking price. This will give you an idea of what it would cost to find a home that meets your must-have list.



The third step is to go beyond needs and consider the features you want. These might not be deal-breakers, but you'd sure love to have them in your next home. They could be a large deck, a location in a desirable neighbourhood, a big country kitchen, etc.

Ask yourself how much you would be willing to pay for those desirable features. \$20,000? \$50,000?

Once you've gone through these steps, you'll have the information you need to match your needs and wants to what's available on the market — and you'll know how much you might expect to pay for your next home.

## Cutting Renovation Costs without Cutting Quality

As you probably know, it's easy to lower the costs of a renovation. Just hire an inexpensive, fly-by-night contractor — and hope for the best!

Chances are, you won't want to take that risk. So how do you ensure you get quality work while keeping your budget in check?

Here are some tips:

- Get estimates from at least three contractors. Often prices can vary widely, even amongst contractors with similar reputations and experience.
- Narrow the project focus. If you're getting a bathroom renovated, for example, decide whether you need the contractor to paint the new walls. Can you do that yourself?
- Shop around for the building materials. Yes, contractors often have access to wholesale prices. Still, you might be able to find a bathtub and vanity at a lower cost or at least avoid any markup the contractor may charge.
- Negotiate. Sometimes a contractor is willing to lower the price for concessions, such as quick payments or more time to complete the job.
- Schedule the renovation during a low-demand season. For example, deck contractors charge more in the spring than the fall. It's supply and demand. More people want their decks done in the spring.

Keep in mind that spending a little more for a skilled and reputable contractor can save you money in the long run. The renovation will have fewer, if any, "issues" (that may require an expensive fix) and will last longer.

## Think, Act... Live!

"There is no failure. Only Feedback." Robert Allen

"Do you give as much energy to your dreams as you do your fears?" Richard Wilkins

"The key is not to prioritize what's on your schedule, but to schedule your priorities." Stephen Covey