

5 Signs It's Time to Buy a Home

By Kathryn Tuggle [Follow](#) | 08/20/14 - 07:30 AM EDT

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NEW YORK ([TheStreet](#)) — Although renting has become a popular option for everyone from Millennials to retirees, buying a home is still an important financial milestone for many Americans. According to the National Multifamily Housing Council, renters make up about 33% of U.S. households, but the majority — 67% — own their homes. Although renting has its perks, many homeowners say there's nothing quite like owning something you can truly call your own. Experts weigh in on five tipping points that often inspire renters to take on a mortgage and sign on the dotted line.

1. You want control of your surroundings and environment

If you find yourself wanting to put in a swimming pool, remodel your bathrooms or make other substantial changes to the property, it's a sign you should be looking to buy, says Michael Chadwick, certified financial planner and chief executive of **Chadwick Financial Advisors** in Unionville, Conn.

"There are certain things you can't do when you're sharing space. If you want to install a high-efficiency furnace or build an outdoor pizza oven, you can't do that if you're a renter," Chadwick explains.

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While a homeowner might be willing to invest \$30,000 remodeling their kitchen, they simply won't do that in a home they rent, he explains.

“You’re not going to put new furnishings in if you can’t take them with you, or if you can’t get out of them what you paid when you move. People want the ability to come home to a place that has their touch.”

Some rental properties restrict tenants from painting walls or hanging frames, towel racks and other items, Chadwick says. Many homebuyers just want a chance to design and decorate their space however they please.

2. You’re interested in a specific city or school district

If you want to live in a specific neighborhood, it may be time to put down roots, says James Roche, CEO of **Houseplans.com**.

“If you want your children to be in a particular school district or you want your family to live in a specific part of town, then it’s time,” he says. “It may be better for your kids to have that stability. A lot of parents don’t want to think about moving around all the time when they have kids in school.”

Occasionally, families may identify a particular neighborhood they want to live in, but there are no rental properties in that area. At that point, buying a home is the only option, Chadwick explains.

“It happens more than you might think. In many parts of the country, there are no rentals available. If there are no rentals in the area you want, then it’s time to think seriously about a purchase.”

3. Your family grows — or shrinks

Many times, people are inspired to buy because they find they have too many people in their family for the number of bedrooms, says Greg McBride, chief financial analyst for **Bankrate.com**.

“You’re just moving through the progression of life, and sometimes you find that you need a bigger property. Families may realize this when their kids reach school age, or when their family is growing,” McBride says.

Also, many baby boomers are buying these days, but they’re downsizing rather than looking for additional space.

“A lot of the empty-nesters look to downsize when their kids leave home. They aren’t looking to make a first-time purchase, they’re just looking to get into something smaller for their golden years,’ he says. “They may be looking at retiring to a different part of the country or moving closer to grandchildren.”

4. You find a good deal

At a certain point, it’s time to stop thinking about “what if” and start taking steps to make the purchase, especially with interest rates on the rise.

“When you find a good deal, it’s time to act,” says Clare Levinson, personal finance expert and author of *Frugal Isn’t Cheap: Spend Less, Save More, and Live Better*.

“Maybe you’ve had your eye on a house for quite some time and it’s still on the market. Houses are moving, so if you wait any longer, there’s a strong possibility you’ll lose out,” she says.

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If you’re considering a purchase, look at what the market is dictating, Levinson says. If you’re waiting for the price to get 20% or 30% lower, that may not be realistic.

5. You have the down payment

As soon as you have your down payment saved, don’t be afraid to part with it, Levinson says.

“A lot of people reach their goal and then they don’t want to part with that money. The danger is that your eyes will start to get bigger, and you may try to purchase a bigger home than you can afford.”

Likewise, once people have their down payment, they may want to hold onto it for longer than necessary.

“A lot of people keep thinking something bigger and better will come along, but that day might not come. At some point you have to say, ‘This may not be our dream home, but it’s a good home and we’re going to go ahead and do it.’”