

2 Creative Financing Ideas for Home

If you want to purchase a new home but don't have the sufficient capital for it, then you have to find out ways to pool financial resources. Go through this article to know about two creative financing ideas for home buyers that everyone should know.

1. Owner/seller financing: If you have a poor credit score and don't qualify for a traditional mortgage, then you should go for owner financing. The concept of owner/seller financing is very easy to understand. When the seller finances your home instead of a bank and financial institution, then it is called owner or seller financing. However, the seller can finance the home only when the home has no lien attached to it. In an owner financing, the home buyer and seller negotiates the interest rate on the loan, amount of money that is required to be paid each month and the loan term.

2. Fixer upgrade: One of the best creative financing ideas for home buyers is fixer upgrade. There are various low-cost homes that require renovation. What you can do is buy one of these homes at a very cheap price. The required down payment for these kinds of homes is very low. You can rent a certain portion of the home. The rental income will allow you to cover the renovation cost. Once, you have repaired your home, sell it at a higher price and earn a hefty amount of profit. You can use this extra cash to purchase a superior home.



First Time Home Buyers Tips

Here are some first time home buyers tips that everyone should know:

*** Owner/selling financing tip:** If you're thinking to go for owner/selling financing, you should try to lower the closing costs. This will help you save a huge chunk of money. Make sure to check whether or not the seller is charging an excessively high interest rate on the loan.

*** Fixer upgrade tip:** If you're considering going for fixer upgrade option, then you have to be patient. It takes time to save money. Also, it may take several years to renovate your home. Therefore, you have to hold your patience. You should also avoid purchasing a home where you have to spend a huge chunk of money for renovation. This is one of the best first time home buyers tips that you should know.

Thus, the 2 best creative financing ideas for home buyers are fixer upgrade and owner financing. You can also consult a financial advisor to get creative finance ideas.

Tremendous Demographic Shifts

This article and report is by John Burns Real Estate Consulting Services
(<http://www.realestateconsulting.com/>)

The growth in non-family households is staggering! The number of non-family households - people living alone or households that do not have any members related to the householder - has increased nearly five times in the last 50 years, from 7.9 million to 39.2 million. At the same time, the number of family households has increased by just 1.7 times, from 45.1 million to 77.5 million. The absolute growth in both has been about equal. Additionally, married couples now comprise less than half of all U.S. households! The percentage of households occupied by married couples has been declining at a rate of approximately 0.5% per year for the last 50 years, from 75% of all households in 1960 to only 48% last year!

These significant demographic shifts create opportunities to design and sell homes to a growing group who cannot find what they want in the resale market because the resale market was primarily built for families.

Home Sizes: While new homes may currently be getting smaller, when you ask consumers what they want, they're still looking for more square footage. However, non-family households will generally require less space than a family household. For example, non-family households are more likely to choose a home under 2,500 square feet and family households are more likely to choose a home under 3,000 square feet.

Bedroom Count: Our recent consumer survey of households across the country found that more than two-



thirds of non-family households want three or fewer bedrooms. Two-thirds of family households want four or more bedrooms.

Location Attributes: Family households are more likely to stretch for size over location. Non-family households are more likely to value location - proximity to work, entertainment, etc. - and then size. They are less willing to commute than a family household.

Amenity Preferences: While the family and non-family household preferences are remarkably similar in terms of community and home, non-family households are less likely to choose features like media rooms, community pools and tot lots.

	Percentage of Total Households	
	1960	2010
Married Couples	75%	48%
Married couples with children under 18	44%	20%
Married couples with no children	31%	28%
Family households* (includes married couples with no children)	45.1 mil	77.5 mil
Non-family households**	7.9 mil	39.2 mil

* Family households are defined as the householder and one or more people related to the householder by birth, marriage or adoption. Family households include married couples without children.
** Non-family households are defined as people living alone and households that do not have any members related to the householder.

Source: Census Bureau

There is a whole lot more to learn about these different groups, and there are some great demographics resources you can use to do so. Understanding the demographics and household compositions of your markets will help you better understand what consumers want today and help you be more successful.