



## Buying a House Is Easy!

The Motley Fool

By Dayana Yochim

Every day I strive to simplify the unnecessarily complicated, to remove the veil of secrecy and confusion that cloaks financial decisions, and to illuminate the path to economic enlightenment with an easy-to-follow blueprint. It is in that spirit that in recent months I have been shirking deadlines and letting my voicemail and email boxes overflow in order to devote myself entirely to investigating one –of life's most significant money milestones: buying real estate.

In March, I provided first-person reportage of the home-buying process. Today, I am here to guide you through the oft-turbulent and avoidably tumultuous high-dollar, hand-wringing, dream-dashing, fight-inducing road from renter to homeowner.

First, you must intellectually dispense with nearly everything you've heard about buying a home. Throw out *Real Estate for Dolts*. Chuck the real estate section into the recycling bin (though please save that Elle Decor for me). Plan to spend Sunday lollygagging and walking the dog in your PJs instead of stalking unsuspecting homeowners who live near the good schools.

You may be surprised to learn this — I was! — but there are just two steps to successfully navigating the home-buying process:

Step 1. Buy a house.

Step 2. Learn everything you can about buying a house.

OK, you caught me. I'm exaggerating. The real process, as I recently experienced it, goes more like this:

Step 1. Look for a new place to rent.

Step 2. Buy a house.

Step 3. Learn everything you can about buying a house.

I cannot take all the credit for this unique approach to home-buying. An investor I know manages her portfolio much the same way:

Step 1. Buy a stock.

Step 2. Research the stock.

I took some of the key concepts she has perfected over the years, retrofitted them for a multi-hundred-thousand-dollar-plus transaction, test-drove the process for my loyal readership (Hi, Mom!), and got a solid copyedit on this article.



As the first Two-Step Home-Buying adherent to go on record, all I can say is: It works! I've got myself a new home, and now I'm learning so much about real estate I practically sound like an expert!

The two-step process is so simple it sounds silly, doesn't it? It did to me, too, until I discovered the benefits of cramming all of that hand-wringing, doubt, competition, regret, and resignation of real estate shopping into an 18-hour period. Don't get me wrong: The traditional trajectory of real estate purchases certainly has its merits, if you have that kind of time on your hands.

By all means...

some calculations to see how much home you can afford, and spend a few fun-filled evenings rolling up your loose change to add to the down-payment pile. Check your credit to see if anything funky might turn up and ruin your chances with that cute mortgage broker. Get pre-approved for a loan so that you're a buyer who's ready to play ball should the perfect property become available. Research the myriad of mortgage products out there and learn the lingo ("We've got an 80/10/10 5-1 I/O ARM, do you copy?") by sampling The Mortgage Professor's menu of mortgage tutorials and tables. Jaw-bone with a bunch of folks (who are free from the conflicts of interest of your transaction) about the topic, their experiences, and their advice for hours on end — any time, night or day — on the Buying or Selling a Home Discussion Board. Get to know the layout of your local **Home Depot** (NYSE: HD) and **Lowe's** (NYSE: LOW) stores and buy shares of **Black & Decker** (NYSE: BDK) and **Stanley Works** (NYSE: SWK) to see if you can get an investor's discount on products. Research neighborhoods, make pals with a licensed home inspector, quiz your spouse on the glossary of real estate terms, and even look like a diligent employee by intently staring at your computer screen to keep tabs on current interest rates.

Or, you can do what I did: Buy a house. And then learn everything you can about buying a house.

*Dayana Yochim begins renovations on her new home in a few weeks. By then she will have made it through the "G's of The Motley Fool's Glossary of Home Buying Terms. Stay tuned in future weeks for lessons on yield spreads, interest-only mortgages, HVAC systems, load-bearing walls, and applying ice, then heat, then ice, while elevating an injured limb. She does not own stock in any of the companies mentioned, but she is on a first-name basis with the greeters at her local Home Depot*

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