A BUYER'S GUIDE

# Are You Ready to Buy a Home?

How to know — with real, objective measures — whether you're financially ready to own, and how to avoid becoming "home poor."

Prepared for home buyers across the greater Houston area

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START HERE

# "Ready" isn't a feeling — it's a few numbers.

Owning a home is a dream for a lot of people, and it's normal to feel a little anxious about a decision this big. The reassuring news is that readiness isn't a guess. There are objective measures that quietly answer "yes, now" or "not quite yet" for you.

This guide walks through the handful of things that actually determine whether you're ready: what you can comfortably afford, what lenders look for, what you'll need for a down payment, and how the housing market fits in.

The goal isn't just to get you into a home. It's to get you into a home you can enjoy without stretching so thin that you can't live your life. Let's look at the numbers honestly — together they'll tell you where you stand.

### WHAT'S INSIDE

SECTION 1

# How much can you afford?

Before you tour a single home, figure out what you can truly afford. Lenders measure this with something called your debt-to-income ratio, or DTI. In plain terms, it compares how much you owe each month to how much you earn — it's how a lender sees how much room your budget has for a mortgage payment.

## What goes into the DTI picture

- **All your housing costs**
  Not just the mortgage — also property taxes, homeowners insurance, and any HOA dues. They all count together.
- **Your other monthly debts**
  Car loans, student loans, credit cards, and similar regular payments factor into the math.
- **Your gross income**
  Lenders compare those debts against your income before taxes to gauge how much is comfortable.
- **The lender's own standards**
  Guidelines vary — some lenders are more flexible than others — so your real number comes from talking to one.

> **THE POINT OF THE NUMBER**
>
> DTI exists to protect you, not to box you in. It's there to make sure a home payment leaves you enough breathing room to cover your other bills and still live your life. A home you can comfortably carry beats a bigger one that keeps you up at night — every time.

Online calculators give you a rough idea, but they often leave out taxes and insurance, which are very real here in Texas. The honest number — the one you can actually plan around — comes from a short conversation with a trusted lender.

SECTION 2

# What lenders are looking for

A lender is simply a bank willing to lend you the money to buy a home. You own more of the home with every payment, and once it's paid off, it's fully yours. Before they hand over that money, lenders want to see a few signs that you're a safe bet — and the good news is these are all things you can work on.

## What strengthens your case

### A solid credit score
Your credit history shows lenders how you've handled borrowing. A stronger score can mean better loan options.

### Manageable debt
A lower debt-to-income ratio tells a lender your budget has room for a mortgage payment.

### Money in the bank
A positive balance plus some savings or assets shows you can handle a down payment and a rainy day.

### Reliable income
A steady, dependable income reassures a lender that the payments will keep coming.

**AN HONEST REMINDER**

What an online tool says you "qualify" for and what you can comfortably afford are two different things. Real homeownership includes property taxes, insurance, upkeep, and the occasional surprise. Always talk to an actual lender — and build the full monthly cost into your plan, not just the loan payment.

SECTION 3

# The down payment — likely less than you fear

The down payment scares more would-be buyers off than almost anything else. Many people assume they need a huge pile of cash up front. For a lot of buyers, that simply isn't the case — and there's real help available.

### 1 You may not need 20% down

The old "20% rule" is just one option, not a requirement. Several loan types let qualified buyers put down far less, and some — like VA loans for those who served and USDA loans in eligible areas — can require nothing down at all.

### 2 Assistance programs exist

There are down-payment assistance programs through state and local agencies, plus options aimed at educators, veterans, and first-time buyers. Many people who qualify never realize these exist.

### 3 Smaller down, different math

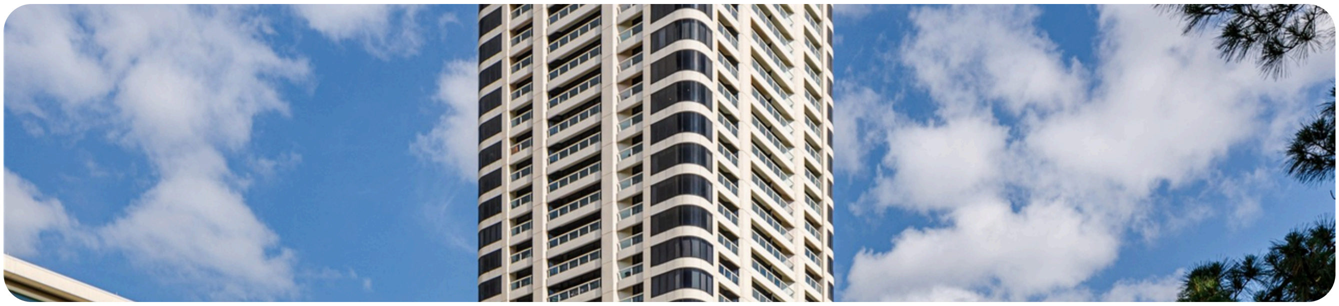
Putting less down can mean a slightly higher monthly payment or added mortgage insurance — worth understanding, not fearing. A lender can show you the trade-offs side by side so you choose with eyes open.

**WHERE TO START**

Ask a trusted lender, and ask me, which programs you might qualify for. Between loan types and assistance options, the path to a down payment is often more open than people expect — and finding out costs you nothing.

SECTION 4

# How the housing market fits in



### Markets move in waves

Sometimes prices climb and sellers have the upper hand — a "seller's market." Other times prices soften and buyers gain leverage — a "buyer's market." Neither lasts forever, and both can work for a prepared buyer.

### Local beats national

What the national news says rarely matches what's happening in the exact neighborhood you want. The market in one Houston-area community can look very different from the one a few miles away.

### Your readiness comes first

Trying to perfectly time the market is a losing game. Your own financial readiness — steady income, manageable debt, a down payment in reach — matters far more than catching a perfect moment.

### A REALTOR® is your local read

A good agent knows what's actually happening street by street, not just nationally. That local insight is exactly what tells you whether it's a smart time to buy where you're looking.

A TEXAS ADVANTAGE

Texas has no state income tax, and homeowners here can claim a homestead exemption that lowers the taxable value of their primary residence and caps how fast it can rise each year. Those are lasting benefits that belong to owners, not renters — they tip the rent-versus-buy math more than most people realize.

SECTION 5

# Putting it together: are you ready?

If most of these feel within reach, you may be more ready than you think. If a couple aren't there yet, you now know exactly what to work on.

1. **Know your comfortable number.**
   Look at your debt-to-income picture and decide what monthly payment lets you live well — not just what a lender's maximum allows. Comfort is the real target.

2. **Tend to your credit and savings.**
   A stronger credit score and a cushion of savings open up better loan options. Small, steady improvements here pay off at the closing table.

3. **Explore your down-payment options.**
   Before you assume you can't afford it, find out which loan types and assistance programs you qualify for. The hurdle is often lower than it looks.

4. **Plan for the full cost of owning.**
   Build taxes, insurance, and upkeep into your budget from day one. In Texas, property taxes and weather-related insurance are real line items worth planning for.

5. **Get a local read before you decide.**
   Recent sales in your target neighborhood tell you far more than any national headline. A quick local check turns "I think" into "I know."

LET'S TALK

# Work with Allen


Most people I help with this question just want a straight answer: am I ready, or not yet? I'll give you an honest read on where you stand and what, if anything, to shore up first — no pressure either way.

## Wondering if now is your moment?

Let's walk through your situation together. I'll help you see what you can comfortably afford, point you to a trusted lender to firm up the numbers, and give you a clear local read on the market where you want to live. If you're ready, we'll make a plan. If you're not quite there, I'll help you build one. When would be a good time to talk?

**Reach out for a free readiness check-in**

**Call or text: (832) 709-2540 · allen@allenmarkel.com · allenmarkel.com**

*If waiting and saving a bit longer is the smarter move for you, I'll say so plainly. You deserve advice that puts your situation first — even when the answer is "not yet."*