

# It is possible to buy a home with one income

While many think it is impossible to purchase real estate on a single income, Lightstone Property reports that single women make up the largest portion of real estate buyers in South Africa.

Although the process of buying a home as a sole owner may seem daunting, Adrian Goslett, from RE/MAX Southern Africa, said this can be a good financial move if done correctly.

"Real estate purchases are one of the safest and highest yielding long-term investments a person can make. In order to make a safe real estate investment that will yield good returns, it is vital to work out an affordable budget and stay within those limits.

"When deciding what is affordable, consider all recurring monthly expenses such as home maintenance and repairs especially when purchasing on a single income. It is important

to leave room in the budget to contribute towards a contingency fund in the case of an emergency," Goslett advised.

An additional factor to consider is that, as a solo buyer, there is likely to be a smaller budget than a couple who can join their savings and income.

Goslett advised to a 10 per cent deposit saved up, along with enough money to cover all the other costs.

"Avoiding a 100 per cent loan will ensure lower monthly repayments and the buyer will often secure a lower interest rate on the home loan and save a substantial amount on interest charges over the span of their loan term," said Goslett.

He reminded buyers that real estate is a long-term investment.

To ensure that the buyer will one day make a profit on the sale of the home, the buyer

needs to purchase a home in which they can imagine living for at five to 10 years.

"The buyer's plans will largely determine the type of home that will suit them best.

They might be single now, but do they foresee having a partner within the next 10 years? Single income buyers might want to consider homes with the potential to add on. Alternatively, they could find a small starter home that can be rented out in the future if the property no longer suits their needs," Goslett said.

Goslett reminded buyers about the importance of location.

"A property can be renovated or changed, but where it is situated cannot. It is important to research the areas that are within the budget and then work from there. Buying in a better area might mean purchasing a smaller home."