

# VERICO ZANDERS & Associates Mortgage Brokers Inc.

## VERICO @ Home

SEPTEMBER 2010

ISSUE #9



### Inside This Issue:

- 1 Make Your Home Toxics-Free
- 2 10 Worst First-Time Homebuyer Mistakes
- 3 6 Months to a Better Budget

## Make Your Home Toxics-Free

Disposable dust cloths seem to make cleaning a breeze. Simply open the package, pull out a damp cleaning rag, do your chores, and then throw it away. Not so fast. Wipes soaked in cleaning solution are dripping with chemicals. Microfibre dusting cloths or mops is a better idea. Microfibre picks up the dust bunnies, but you can also wash and reuse it.

We recommend avoiding microwave oven wipes as well. These release VOCs (Volatile Organic Chemicals) into our lungs while we use them, and are also easily absorbed into our skin. Instead, bring a cup of water to boil in the microwave – the steam will loosen the dried-on food particles.

### The dish on dish soap

Most conventional dishwashing liquid and detergent is full of harmful chemicals with names like: Acetone, Benzaldehyde, Benzyl Acetate, Benzyl Alcohol, Camphor, Ethyl Acetate, Limonene, Linalool, and  $\alpha$ -Pinene. Potential risks from exposure to these products are not pretty: central nervous system disorders, damage to the immune system, respiratory disturbances, and headaches. Check your local shelves – many stores now carry safer alternatives. While you may spend a little more on a safe product, the planet and you and your family will be better off in the long run.

### Static-free and loving it

That “fresh clean smell” you get right after you wash your clothes might irritate your skin and nasal passages. Fabric softeners often contain strong artificial scents that are potentially flammable. Chloroform, benzyl acetate and pentane are even more dangerous when heated in a tumble dryer. The good news is that there are new products that help reduce static and keep clothing soft. “Static Eliminator” is a reusable dryer sheet system that is chemical-free and safe for infants and people with allergies and eczema.

Another alternative to fabric softener is a dryer ball. These tiny, spiked plastic balls tumble around with your clothes to increase air circulation. Your clothes will turn out static free in 25 per cent less time and you’ll reduce energy consumption. Or hang drying your clothes: you’ll save yourself some money and lower your carbon footprint. Your dryer is one of the most energy intensive appliances in your house.

### Mothballs: they smell bad for a reason

For safer clothing storage, ditch the mothballs. Mothballs contain questionable chemicals like naphthalene and paradichlorobenzene. These substances are particularly unsafe for young children if swallowed, inhaled, or exposed to the skin. Instead, try cedar wood as a natural moth repellent. It’s available in blocks, balls or sheets. It’s natural, smells nice and it’s biodegradable.

*(Source: davidsuzuki.org)*



**Susan & Alicia Zanders**  
VERICO ZANDERS & Associates  
Mortgage Brokers Inc.

☎ 604 461-8063

☎ Toll Free 1 877 638-3688

Fax 604 461-8062

Toll Free Fax 1 866 861-8062

[susan.zanders@verico.ca](mailto:susan.zanders@verico.ca)

[alicia.zanders@verico.ca](mailto:alicia.zanders@verico.ca)

[www.vericozanders.com](http://www.vericozanders.com)

## 10 Worst First-Time Homebuyer Mistakes

Are you gearing up to buy your first place? Arm yourself with these tips to get the most out of your purchase and avoid making 10 of the most costly mistakes that could put a hold on that sold sign.

### 1. Not Knowing What You Can Afford

As we've all learned from the subprime mortgage mess, what the banks says you can afford and what you know you can afford or are comfortable with paying are not necessarily the same. If you don't already have a budget, make a list of all your monthly expenses (excluding rent). Subtract this total from your take-home pay and you'll know how much you can spend on your new home each month.

### 2. Skipping Mortgage Qualification

What you think you can afford and what the bank is willing to lend you may not match up, so make sure to talk to your mortgage broker and get pre-approved for a loan before placing an offer on a home. Beware that even if you have been pre-approved for a mortgage, your loan can fall through at the last minute if you do something to alter your credit score, like finance a car purchase.

### 3. Failing to Consider Additional Expenses

Once you're a homeowner, you'll have additional expenses on top of your monthly payment. You'll be responsible for paying property taxes, insuring your home against disasters and making any repairs the house needs. If you're purchasing a condo, you'll have to pay maintenance costs monthly regardless of whether anything needs fixing because you'll be part of a building strata.

### 4. Being Too Picky

Go ahead and put everything you can think of on your new home wish list, but don't be so inflexible that you end up continuing to rent for significantly longer than you really want to. First-time homebuyers often have to compromise on something because their funds are limited.

### 5. Lacking Vision

Even if you can't afford to replace the hideous wallpaper in the bathroom now, it might be worth it to live with the ugliness for a while in exchange for getting into a house you can afford. If the home meets your needs in terms of the big things that are difficult to change, such as location and size, don't let physical imperfections turn you away.

### 6. Being Swept Away

Minor upgrades and cosmetic fixes are inexpensive tricks that are a seller's dream for playing on your emotions and eliciting a much higher price tag. If you're on a budget, look for homes whose full potential have yet to be realized. First-time homebuyers should always look for a house they can add value to, as this ensures a bump in equity to help you up the property ladder.

### 7. Compromising on the Important Things

Don't get a two-bedroom home when you know you're planning to have kids and will want three bedrooms. Don't make a compromise that will be a major strain.

### 8. Neglecting to Inspect

Before you close on the sale, you need to know what kind of shape the house is in. You don't want to get stuck with a money pit or with the headache of performing a lot of unexpected repairs.

### 9. Not Choosing to Hire an Agent or Using the Seller's Agent

Once you're seriously shopping for a home, don't walk into an open house without having an agent. Agents are held to the ethical rule that they must act in both the seller and the buyer parties' best interests.

### 10. Not Thinking About the Future

It's impossible to perfectly predict the future of your chosen neighbourhood, but paying attention to the information that is available to you now can help you avoid unpleasant surprises down the road.

## 6 Months to a Better Budget

One of the challenges with proper budgeting is that it has to become habitual in order to be effective. You can survive without knowing how to budget if you manage to keep more money coming in rather than going out or have credit cards to cover the gap, but this won't last forever.

### Emergency Fund

The crux of this six-month plan is the emergency fund. Ideally, everyone should have at least one or two months' wages sitting in a money market account for any unpleasant surprises. This emergency fund acts as a buffer as the rest of the budget is put in place, and should replace the use of credit cards for emergency situations. You will want to build your emergency fund as quickly as possible. The key is to build the fund at regular intervals, consistently devoting a certain percentage of each paycheck toward it and, if possible, putting in whatever you can spare on top.

### What's an Emergency?

You should only use the emergency money for true emergencies: like when you drive to work but your muffler stays at home. Covering regular purchases like clothes and food do not count, even if you used your credit card to buy them.

### Downsize and Substitute

Now that you have a buffer between you and more high-interest debt, it is time to start the process of downsizing. It's odd that the natural solution to "not enough money" seems to be increasing income rather than decreasing spending, but this backwards approach is very familiar to debt counselors. The more space you can create between your expenses and your income, the more income you will have to pay down debt and invest. This can be a process of substitution as much as elimination. For example, if you buy coffee from a fancy coffee shop every morning, you could just as easily purchase a coffee maker with a grinder and make your own, saving more money over the long term.

### Focus on Rewards

Another trick that will help your budget come together faster is to focus on the rewards. A mixture of long- and short-term goals will help keep you motivated. This can be as simple as saving for a small luxury, or even something bigger like buying a car with cash. Watching these goals slowly but surely become a reality can be very satisfying and provide further motivation to work harder at your budget.

### Find New Sources of Income

Why isn't this the first step? If you simply increase your income without a budget to handle the extra cash properly, the gains tend to slip through the cracks and vanish. Once you have your budget in place and have more money coming in than going out, you can start investing to create more income.

Now, it is possible that it will take you more than six months to get your budget balanced out as it all depends on your situation, including how much or what kind of debt you have. But, even if it does take you longer than six months to get your budget turned around, it is time well spent.

*(Source: Investopedia.com)*



**Investing.** It is better to have no debt before you begin investing. If you are young however, the rewards of investing in higher risk, higher return vehicles like stocks can outweigh most low-interest debt over time.

---

***One of the challenges with proper budgeting is that it has to become habitual in order to be effective.***

---