

AT HOME ON THE GREATER WEST SIDE

Now that you own a home, what's next?

Here are some keys to sustainability



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As first-time homebuyers —or longtime West Side residents who may inherit their family properties— embark into homeownership, it is important to plan for expenses and housing costs outside of their monthly mortgage. In this article, experts share advice on achieving sustainable homeownership.

Increase Your Financial Readiness

Black Chicagoans face more barriers to home buying as they have **reduced access to banking** and financial support than other groups, said State Rep. La Shawn K. Ford (IL-8th). Eighty-three percent of Black households own checking accounts, in contrast with the 99% of white households who do so. Only 10% of Black homeowners received financial support to purchase their homes, while 23% of white homeowners did, according to a 2022 report by the Financial Health Network.

High unemployment rates and underemployment rates reduce access to credit and loans. Austin has a 14% unemployment rate compared to 8% citywide, according to 2024 data by the Chicago Metropolitan Agency for Planning.



State Rep. La Shawn K. Ford (Provided)



Michelle Flores of National Association of Hispanic Real Estate Professionals (Provided)

In West Garfield Park, the unemployment rate reaches almost 20%, more than double the city's rate. In North Lawndale, the unemployment rate is about 15%.

Michelle Flores, executive secretary of the National Association of Hispanic Real Estate Professionals Chicago chapter **recommends prospective buyers** establish credit if they don't already have a credit history, improve their credit scores and save money to cover a down payment, closing and repair costs.

Prepare for Rising Costs Due to Taxes and Insurance

Property taxes and home insurance rates are the main concern for homeowners in the 8th District, Ford said.

“When those numbers change, it puts homeowners in a different budget situation and sometimes that sometimes drive people out of their homes,” Ford said.

Property taxes can drastically increase without notice, putting homeowners at risk of falling behind in payments. This year, property taxes in Cook County increased by 4%, although homeowners in some south and southwest suburbs saw their bill increase almost 20% from last year, according to data by the Cook County Treasurer's Office. This drastic increase mostly affected Black communities – 13 of the 15 suburbs with the highest increases have mostly Black populations.

Insurance rates can also increase without notice, challenging homeowners and impacting their budgets. Over the past five years, home insurance costs increased by 55%, according to a study conducted by insurance broker Guaranteed Rate LLC using its proprietary data. The study predicts home insurance costs will continue to increase in 2024. Weather events could also increase the cost of insurance by forcing homeowners to purchase additional insurance products that protect them in case of flooding or other events, according to Guaranteed Rate LLC.

Homeowners should continue to save money for reserves that can cover unexpected cost increases. Real estate experts recommend saving between 1% to 4% of the home's price in reserves.

Invest in Maintenance and Repairs

“Once you become a homeowner, it’s like having a child. You have an expectation that you’re going to have a new expense added to the family,” Ford said.

As homebuyers become responsible for their home, they need to budget the cost of maintenance and repairs. New owners of older homes – those built before 1950 – spent more on annual upkeep and repairs than those who lived in their homes for 10 years based on the 2021 American Housing Survey.

Proper maintenance increases the value of properties if they are later sold, yet maintenance and repair costs can fluctuate as materials and labor costs increase due to inflation. Check for local programs that assist homeowners with completing needed repairs or maintenance, such as the city’s annual Home Repair Program, which provides eligible homeowners grants to improve their roofs or porches.

Create a Will or Transfer on Death Instrument

A report by the Institute of Housing Studies found estate planning is one of the keys to pass down generational wealth and reduce the risk of property deterioration and abandonment. When home owners do not set a plan for their properties, known as a estate planning, properties can fall in a complicated legal scenario that can be costly and lengthy.

Homeowners should consider create a will that establishes how assets will be inherited and managed in case of death, Ford said.

Consider the Advantages of a Multi-Unit Property

Multi-unit properties offer advantages to first-time homebuyers as they can live in their property and rent

another unit, having an additional income stream that helps pay for the mortgage and property maintenance.

“It’s absolutely the right move for people to weigh their options as it relates to their needs, whether they should buy a single family home versus a two-flat,” Ford said.

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