For Buyers
Looking at sprawling villas in the suburbs and 2,000-square-foot condos in the middle of downtown is one thing. How much home you can afford may be entirely different.

Of course, there's nothing wrong with looking. But when it comes down to finding a place that fits perfectly in looks, size and price, you need to know your affordability factor.

What Is Your Family Plan?It's not just how much you make; it's also what you plan to do with it.

Do your best to anticipate what the next five years or so will be like for you and your family. Are you planning to have kids in the next few years? Is your teen graduating from high school? Will they need you to co-sign for a college loan? Are you planning for a wedding?

All these can raise your debt-to-income ratio. Even if you can afford a mortgage with a 40% debt-to-income ratio now, life events like having children can bring that ratio up to and over 50%.

Do your best to map out what the next five years or so will look like and keep an emergency fund for the unexpected.
Plan for the house you can afford today—not what you can afford a few years from now when the raise kicks in.

What Is Your Payment Approach?
Do you want to plan conservatively, moderately or aggressively? The difference can determine the type of home within your ballpark range.

For example, if you make $73,000 a year, have a $40,000 down payment, $350 in monthly debts and want to buy a house in Ridgefield, CT, these are the scenarios to consider:
The conservative approach: no more than 28% of your income goes to housing expenses and 36% goes to debts. House affordability range: $303,000

The moderate approach: no more than 33% of your income goes to housing expenses and 38% goes to debts. House affordability range: $349,000

The aggressive approach: no more than 36% of your income goes to housing expenses and 41% goes to debts. House affordability range: $362,000

The more aggressive the approach, the more budgeting discipline you need.

You also will need better credit, as you will be taking on more debt for a more expensive home. Figure out which works best for you—remember, it's better to err on the safe side rather than be strapped for cash each month.

Check out the realtor.com® affordability calculator to see what spending approach looks like for you in the area of your choice.
What Is Your Preferred Location?You might not have the means to afford a house in a central location. If that's the case, consider a ZIP code in a neighboring area.

To get a feel for houses in your price range, use our affordability calculator for a nearby area and then check the listings at the bottom of the page.

If you can't find something you like, you can always go down in price or continue to rent until you have the means to afford that dream home.

What Are Other Homeownership Costs?
Home ownership isn't as simple as paying the mortgage. You can be sure other expenseswill pop up.

For example, if you can't make at least a 20% down payment, you will need private mortgage insurance. If you have an FHA loan, you will have to budget for premiums.

There's also property tax and home insurance on top of closing costs. Repairs, general maintenance, condo fees, utilities and buying new furniture for your new home also need to be anticipated.

The more thorough your budgeting, the more comfortable you'll be when shopping for a home.