

How Can I Buy a House as a Single Person?

Buying your first home is already a major money milestone—but having to do it on your own in an uncertain housing market can make it feel even more overwhelming. In this episode, host Stefanie O’Connell Rodriguez interviews real estate expert and mortgage lender Nicole Rueth about how to navigate the home-buying process as a single person - including the options and alternatives available to single buyers who fear being priced out of this hot housing market.

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“Dannie”: I am 35 years old. I am single. I live with my dog in an apartment, and looking into the whole home-buying process on a single income has been rather intimidating.

Stefanie O’Connell Rodriguez: This is Money Confidential, a podcast from Real Simple about our money stories, struggles and secrets. I’m your host, Stefanie O’Connell Rodriguez, and today we’re talking to a 35-year-old listener from the greater Denver area who we’re calling Dannie, not her real name.

“Dannie”: I actually got divorced just a few years ago, so starting over, which is very unplanned,

Stefanie O’Connell Rodriguez: When Dannie and her ex- split, she was in grad school with a year left to go.

“Dannie”: I actually wasn't employed at the time. We had agreed, my ex and I, that I could focus on school.

Stefanie O’Connell Rodriguez: They had also agreed that Dannie would take out student loans while she was in grad school, to give them both a bit of breathing room in the household budget. When they divorced, Dannie's ex initially agreed to pay off some of those loans they'd used for their living expenses.

“Dannie”: But that's not how it panned out. And of course, they're under my name, so I'm responsible for them and I'm working towards paying those down.

Stefanie O’Connell Rodriguez: The divorce also meant Dannie had to go back to work full-time while she was still in school.

“**Dannie**”: I ended up having to take a bit longer to finish school than expected, because not only did I have to go back to work full-time and try to be in school, but I had to be able to make the payments on classes and just have the time to study. There was a lot of panic, to be honest (laughs) when all that happened, trying to figure out what I would do with my finances.

Stefanie O’Connell Rodriguez: How else did things change for you financially?

“**Dannie**”: So when we separated, I needed to find a more affordable one-bedroom situation where I could live on my own. And at first, I was looking for roommates so I could stay in an area I wanted to live in and be closer to friends. That was a very difficult process. The people that I knew were already paired off.

And so being in your 30s and looking for a roommate is a very strange undertaking. One I'd never thought I'd have to do again. So I ended up moving a bit south away from the city to somewhere more affordable. Unfortunately, rent prices are going up. I'm gonna see how much longer I can last here.

Stefanie O’Connell Rodriguez: Before the divorce, Dannie and her ex-husband had started saving to buy a home.

“**Dannie**”: That was on our five-year plan, maybe even three-year plan, had we not separated. For me, being single and just having a small dog, I would love just a little bungalow, maybe a little bit of yard space. I'm even open to a condo if that's more in my price range. So although outdoor space is important to me, if a yard is what's between me and buying a home, then I'll forgo a yard.

Stefanie O’Connell Rodriguez: Knowing what she's looking for, Dannie's friends often send her links to home listings online.

“**Dannie**”: It's nice to have them in my corner, sending me things and showing me that maybe something's affordable mortgage-wise. But having the down payment is going to be something that I need to work towards. What has been a little bit tricky is, I'm in a position salary-wise where I don't qualify for assistance. For example, I was looking at some new built townhomes—they're beautiful and affordable for somebody like me on a single income—but come to find it was income-based, and you needed to be under a certain threshold, and then enter a lottery to receive assistance. But I'm not in a situation where I can easily afford something on my own either.

Stefanie O’Connell Rodriguez: With two incomes, it can be easier to qualify for a mortgage, afford a bigger loan and save enough money for a down payment. That said, single home buyers, especially single female homebuyers, are a growing demographic. According to a [2021](#)

[report](#) from the National Association of Realtors, 18% of people who bought homes in 2021 were single women and 9% were single men.

What's in the full financial picture? You mentioned student loans, what does that look like?

“Dannie”: I think my student loans are down to \$15,000. And I also have about \$6,000 left on my car. Other than that, I did get in the divorce, a slice of Bitcoin. I'm looking at my Bitcoin as potential, but I'm also hesitant and I treat it like Monopoly money because you never know what's gonna happen with it. It's very volatile. So it's an imaginary thing to me almost.

Stefanie O'Connell Rodriguez: Was he also in charge of managing the finances?

“Dannie”: Funny enough, no. I did our taxes, I budgeted, I kept receipts, I had spreadsheets, I was very good with all that. Now that I'm not in a partnership where I'm responsible for that, I've really slacked on my own finances... And my budgeting has gotten a lot more lax. A lot of it was, I'm in grad school, and working, and I have no mental ability to think [laughs] about that stuff. But yeah, a lot of being single and going through the divorce—I've just been much more intimidated on my own, about getting started in investing, and in preparing and what is actually needed to buy a home. Even though I was handling the finances for the most part in my marriage, I had somebody to talk to who had vested interest in the same thing and we were working towards goals together.

Stefanie O'Connell Rodriguez: Because you just had somebody to talk to about it, it almost facilitated it?

“Dannie”: You know, I would fill out all the taxes but I'd always have my ex have a look and make sure I did the math right, you know, little stuff like that. And sometimes just having just a little bit of extra encouragement can help, especially if you're feeling overwhelmed with life in general. You know, living on my own, even though I love the independence of it, I also need to manage a home on my own, keep up with dishes, keep up with laundry, keep up with walking the dog, There's nobody else to pick up any of the slack, groceries, everything. I think having that extra set of ears to listen and talk through things is always very helpful.

Stefanie O'Connell Rodriguez: Despite the overwhelm, Dannie did take the time to meet with a realtor a few weeks ago based on the recommendation of two of her friends who'd recently bought homes.

“Dannie”: They loved her; they couldn't say enough good things about her. So a few weeks ago, I took a meeting with her with a caveat that I'm not gonna be able to buy really anytime soon, but I would love to have an information session to start learning.

And then from that she gave me a list of lenders that she's worked with, and so on my docket is reaching out to a lender just to see what I might be capable of and what I might be able to afford, and work with, and be approved for.

Stefanie O'Connell Rodriguez: It sounds like you are taking steps, but does it not feel like you're having forward momentum?

"Dannie": I do feel that, once I speak with the lender... I don't know, because I need to actually [laughs] speak with the lender, but that they're gonna come back at me with something that's just gonna seem so far out of reach.

Stefanie O'Connell Rodriguez: Do you think that you haven't met with a lender yet because you're afraid that you'll be so far away from what you need?

"Dannie": Yes.

Stefanie O'Connell Rodriguez: Hm.

"Dannie": Absolutely [laughs].

Stefanie O'Connell Rodriguez: With home-buying, there's so many steps, and so it's like, okay, you got yourself psyched up to get to that first step, and then it's like, "I gotta do it to the next one," and the next one. And so I'm wondering if there's maybe some accountability mechanisms that you can start thinking about to keep the momentum going?

"Dannie": I think I need to make peace with this, that the home-buying process is a very big process. And I'm avoiding the lender call, partly because of that, but partly because I feel that lender call is going to trigger "budget mode." And so I think in my head, I need to psych myself up to say, "I'm ready for what that's gonna unleash." I think I haven't mentally gotten there.

Stefanie O'Connell Rodriguez: "I'm worried the lender call's gonna trigger budget mode"; what does that mean?

"Dannie": Well, we separated early 2019, and then the pandemic happened, and I live alone. And especially early-pandemic, there's a lot of isolation, and so that affected me financially in that I had to find other outlets to keep myself occupied and not go completely stir crazy, and one of them was finding a new hobby: houseplants.

Something you could care for. I have put a lot of money into that. I have been essentially not really budgeting myself. At least not near as much as I used to. Giving myself a lot more freedom to just spend on things that make me happy. And so [laughs] I think I'm afraid of that cut-off.

Stefanie O'Connell Rodriguez: So can you tell me about savings strategies you tried that have worked and some that haven't worked?

“Dannie”: One savings strategy I have is, every time I get a paycheck I automatically divert money into my savings account. The problem I've had is, I pay everything on credit cards so I build good credit. I pay my credit card off every month, I've always been very good at that. However, because I'm not budgeting myself as much as I should be, every month, when I pay my credit card bill, I dip back into the savings. I keep my balance about where I feel comfortable, but it's not adding to my savings.

Stefanie O'Connell Rodriguez: Is all your savings in the same account?

“Dannie”: Yes.

Stefanie O'Connell Rodriguez: Automating the savings is great, keep it up. But if we can separate the savings so that it doesn't feel like, "Oh, it's savings, I have the money there." But if instead, it feels like, "Oh, this is the savings for my house down payment." It's much easier to build from a place of knowing and momentum than it is to build from a place of fear, uncertainty, and non-specificity.

“Dannie”: I think you nailed it. It's kind of a paralysis. When you're approaching something like that, it's just like you need that momentum and you need to get past the paralysis by taking the first step.

Stefanie O'Connell Rodriguez: Yeah, and if you're finding that accountability and community is helpful for you, where can we build this into that process?

“Dannie”: That's 100% it. I don't have many single friends that are in my situation. This particular realtor is very involved in the community in general.

Stefanie O'Connell Rodriguez: Hm.

“Dannie”: So she just invited me to a women's clothing swap mixer, and this is going to be people that have been her clients or potential clients, and then bring your friends. And it can be just fun and social, and you can drink, and have brunch. And yeah, maybe another opportunity to talk to other women in this similar situation. I'm starting to think of it that way as a way of having some kind of community to talk to.

Stefanie O'Connell Rodriguez: It feels like a weird thing to say about money, but can you have fun with it? Can you build community around it? Can it be part of your lifestyle that you look forward to?

“Dannie”: I used to have a much more positive relationship with finances in general, so I think I can get there again. I know there are certain barriers in my way. One of them is being on my own, another is just current life circumstances and feeling stressed. But I like your take on it, of making it exciting and positive. And even just putting something on your desktop background to constantly remind you this is something you're working towards or making a savings account

that's called... "This is for your house," I think that stuff will make a big impact. I think that's part of looking at all the positive, and not just focusing on the scary bits.

Stefanie O'Connell Rodriguez: On the plus side, buying a home as a single person allows you to take on the home search based on your wish list alone. And managing a single set of documents can also streamline the process. That said, relying entirely on your own income, credit and finances can also feel limiting. Not to mention the added stress of feeling like you're having to make all the decisions around what could be the biggest purchase you'll ever make, all on your own. So after the break, we'll speak with a mortgage lender who works with homebuyers of all kinds, to make sure they're making those decisions in a way that works with their lifestyle and their finances.

[MUSIC OUT]

Nicole Rueth: Home-buying has always been intimidating,

Stefanie O'Connell Rodriguez: That's Nicole Rueth, senior vice president for Fairway Independent Mortgage Corporation. Like Dannie, Nicole is also based in the Denver area where she helps her clients secure financing for their real estate ambitions.

Nicole Rueth: It's a long process. You just went through the stress of finding the perfect home. And now you have to go through the stress of having to supply more documents than you even knew you had. So it's always been stressful. And now, it's almost unattainable. You wanna provide a roof over your head. And now you're competing like it's the last home on the planet.

Stefanie O'Connell Rodriguez: I think what makes that really painful for a lot of our listeners is that they've been working really hard. They've been trying to get ahead. And for it to feel like it's still unattainable, I think that creates a lot of pain and hopelessness.

Nicole Rueth: It can. At some point you start realizing, I wanna settle down. Like, I want the American dream. I want the three-bedroom, two-bath house with a white picket fence. And you make good money. You've been working for 10 years. You thought you were ready. And then, wham. [laughs]. This market comes out of nowhere because nobody saw the pandemic coming and created a frenzy.

In a competitive market, you have to have strategy. You can't just go in with the way of thinking that you did before that says, "I'm gonna go get pre-qualified. I know how much money I have or I will save up to have. And I'm gonna put in an offer. I'm gonna get a home." Because that world doesn't exist today. And it will come back. We will have more supply per demand. It's just gonna take years.

New builds are only like 10% of the market. And so then, I have to be strategic. You have to align yourself with a strategic real estate agent and a strategic lender who can advise you on which areas you might be able to get a home for at-list. Which areas maybe there aren't multiple

bids on? Which areas or product types maybe you don't have to bid over asking and fight against five people?

The Denver market right now, we're literally running four days on market. Four days. That's a weekend. So if it's still on the market on Tuesday, it might not be perfectly staged. It might not have the best curb appeal. It might not be perfectly located because those went the first four days. But it has good bones. It's in a good school district. I can do a renovation loan. And I can upgrade it and do the bathrooms and the kitchens exactly how I want it. I can get in today with minimum down or down payment assistance for at-list and know that I can save up for the next year or two to build it or create it exactly how I want it.

So you have to go in with eyes wide open, get the best approval that you can from a lender, and have a real estate agent that understands the market, and partner together to find that home because we have people going under contract for under list. And so many read the headlines and think it's not possible. But it's possible. It requires strategy.

Stefanie O'Connell Rodriguez: Yeah. And I really wanna dig into this because the noise and the headlines really feel so overwhelming that with some of our listeners, and our listener this week, it winds up becoming such a roadblock that then they don't move forward in the process to even see what's available. What is it about approaching a lender that we need to know?

Nicole Rueth: Approaching a lender can be intimidating. It's like, "Oh my gosh. This person knows my credit, knows my collections, my credit score, how little I have in the bank account. They know that my balance went negative last month. They know that I don't make as much as I'd like to think I do." So we have to have all that. But you have to know as a buyer that your lender's job is to find the path. I saw my oldest kid go through this with his eyes wide open and fear.

And he said, "Mom. What am I signing?", and I'd go through with him. He goes, "Why is that important?" I talk about lending all the time. And even he was intimidated by the massiveness of this. So, get a referral from your real estate agent. And then, once you have that referral, you have to go into it, and let the lender know, "I don't know what I don't know. But I really want a home. What are my next steps?" And here's what I would hope a lender would tell you.

The first thing is, you're gonna complete a loan application. I love to dive into the stories of my clients. But it also is super-helpful if I have their numbers in front of me because I might offer options when I'm just listening to their story that might or might not be available to them—

Stefanie O'Connell Rodriguez: Mm-hmm.

Nicole Rueth:... once I have a loan application. So we have the loan application in hand. We set up that client consultation and go, "Okay. With this credit score, with these debts, with the income that you put on the application, let's dive into those." Are those accurate? What needs to be adjusted? And then, what options does this open up?

This is the biggest liability and possibly the biggest asset you'll ever have. Spend that hour and get to know that lender. Is this somebody that I trust has my back because I'm gonna have this

debt long after I know that lender? So are they taking care of me? Are they looking out for the best course of action, or are they just quoting me the lowest rate?

And then understand and ask lots of questions. There's no such thing as a dumb question when it comes to taking on this kind of debt. Know what your second, third, and fourth step is maybe after you purchase. After you purchase, what can I do or can't I do with this mortgage? When can I move out of this home if I want to? Will the rate ever change? Will the payment ever change? How can it change? Can I rent out rooms? Can I rent out the basement? Does it allow me to do that? All the things that people wanna know, ask all the questions.

Stefanie O'Connell Rodriguez: Now I know you mentioned that your lender might be able to see opportunities that you don't see. But is there anything that you should have in place or a rule of thumb you should be thinking about that says, "Oh, I'm ready to go to a lender?"

Nicole Rueth: I'll talk to clients all the time that are two years out. And we'll pull credit. And we'll start putting them on a credit plan or savings plan or setting up their ducks in a row to understand the neighborhoods that they wanna live in that might be still affordable that might be in a path of development. So, maybe you can't afford Denver anymore. But maybe you can afford Fort Collins or one of the suburbs.

So I would say it's never too early to talk to a lender. A lot of people think, "Well, I have to wait until this period or until I get a job or until I save up a certain amount of money, or until I make a certain amount." When people think, "When is the right time to talk to a lender?" I would say the right time to talk to a lender is the first time you think about buying a home.

Stefanie O'Connell Rodriguez: That's actually really relevant to our listener this week because she's in a place where she's like, "You know, I feel like I could make mortgage payments on the kind of house that I want." But I don't have the assets.

Nicole Rueth: Maybe you can get down payment assistance or maybe you can get a gift. Even FHA, you can put as little as 3 ½ percent down VA or USDA. If you're looking rural, no money down. When you said, "Well, I think I can manage a monthly payment for the house that I want," what is that monthly payment? Because often people will conjecture some sort of estimate of what that number is. But what are the property taxes, the homeowner's association if you have any, or the homeowner's insurance, and all of that? You can't know what you don't know until you ask the right questions. So the first time you're thinking about purchasing a home, finding out what that number really is.

Stefanie O'Connell Rodriguez: Our listener this week is a few years out from a divorce. And originally, a lot of these dreams of home ownership were planned under the premise of, I'm gonna buy a house with my partner. How do you see this process changing for somebody who might be coming at it alone?

Nicole Rueth: Doing this alone can be challenging, especially with rising home prices now. You have one income.

Stefanie O'Connell Rodriguez: Mm-hmm.

Nicole Rueth: So it could very well limit what access you have. So being more creative might be the thing that you need to look at. Here in the Denver market, we have a lot of homes that have rentable downstairs basements. So a lot of homes just have a back door. And that back door goes right to stairs. So is there a home that you could afford on your single income that maybe would be tight, but you're eligible to get a loan for that home? Then could you furnish the downstairs and do an Airbnb or traveling nurse rentals or some sort of a situation that would help you offset the expenses while building the equity, paying down the mortgage and creating that financial stability again.

Also, we wanna look at what stage are you at in the divorce specifically, or job change, job loss, got injured, workman's comp? All of those changes require some level of assessment. So where are you in it? Are you just talking about it? Are you officially separated with a court stamp? Are you officially divorced? Are you receiving alimony or child support, or paying alimony or child support? All of those conversations. You know, you're on worker's comp. When are you going back? You lost your job. What are the prospects, or do you have a job offer letter? We're always looking for the documentation or the story through the transition.

So how do we get you to a position while being very real with the numbers because a single income affords less than dual income.

Stefanie O'Connell Rodriguez: The other piece of going through this process alone is, while planning her future before, there was somebody—

Nicole Rueth: Mm-hmm.

Stefanie O'Connell Rodriguez: ... to talk to about it. Not to necessarily have all the answers, but there's community in partnership. And there's dialogue. And there's a way to kind of externally process through a lot of these internal feelings of overwhelm and fear and confusion and just having somebody there to listen.

Nicole Rueth: I completely agree with that sentiment. My husband and I have been married several decades. You go home and you're able to discuss things or, or give a decision—

Stefanie O'Connell Rodriguez: Mm-hmm.

Nicole Rueth:...to each other, especially when it's a decision in either the area you don't feel comfortable with or I just literally have made enough decisions today. [laughs] I cannot do it. And so to go home and to have to think through the homes that my realtor, my real estate agent just showed me, the numbers that my lender just showed me, the report that the inspector just showed me, the appraisal that I just received from my lender that didn't come in at value that I thought it would. It is really where having the team around you that not only you know, like, or trust, but that you have 100% confidence that they have your back is really important. And I'm a lender. Even buying my own houses and my investments, I never buy them without a real estate agent. Could I become a real estate agent and do my own gig? Sure. Would I? No. They're boots on the ground. They see things that I don't see. So you have to lean into that.

Stefanie O'Connell Rodriguez: You talked about how waiting for that perfect moment isn't necessarily the strategy, And it's better to start that process to know what the options are. But in the meantime, maybe you are doing that, and you're trying to save.

Nicole Rueth: So it's not easy to sacrifice if I don't know what I'm sacrificing for. So if I have a goal to purchase a home in one year's time and I know I need a minimum of closing costs and/or 3 percent down, I talk to a lender. I know what my credit score is. I've been working on that. I know how much money I need. I'm gonna be able to get down payment assistance. But I still need \$7,000. I have \$1,500 now. My family doesn't have any money to give me. I can't get a gift. I'm already doing down payment assistance. But I still need closing costs. I have 10 more months until my lease is up anyway.

I know my gap. I know my timeline. I know my goal. I have a picture of my house on my refrigerator. And every day, I have the choice of going out to dinner or going to Mexico with a girlfriend or doing the things that I've been doing or putting that \$100, \$500, \$1,000 into a savings account with intentionality. And so to go in and buy as an individual, it does burden a single person more. So, you might choose a different product. You might choose a townhome that has access to exterior maintenance or you might choose a condo, or you might choose a single-family that's a little smaller or closer to the urban center.

We make it bigger than it is. I don't even wanna get started because I just can't get my arms around it. I can't get my head around it, whatever you tell yourself. And then, once you realize, you learn it and you're like, "Oh. Okay," it's not easy.

Stefanie O'Connell Rodriguez: Right.

Nicole Rueth: But it's simple. It's a simple series of steps that get me from a position of renting and not being able to buy, to owning a home. Some paths are a little longer and a little harder. But it's knowing the path that gives you the clarity to take the next step and the next step and the next step and to do the sacrifices along the way to get there, not knowing and leaving it like, "Oh, well, that's just too much. That's too big. That's too hairy." Then, you never know what the next step is, even though it's a simple series of steps. Not easy but simple.

Stefanie O'Connell Rodriguez: In this hot housing market, it's already a challenge to aggressively outbid other buyers, but when you're doing it on your own, it's crucial to have the support of professionals like a real estate agent and a lender you know, like and trust. Not just for their insights and expertise, but for accountability and feedback throughout the process. They may be able to spot opportunities and options you can't - like down payment assistance, help with closing costs, or just finding the best neighborhood and property for your budget.

It is a lot to consider, and there are undoubtedly many steps to the home-buying process, but to paraphrase Nicole, it's much simpler to start taking those next steps once you have a plan in place.

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