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PENSACOLA

Rent isn't getting any lower in Pensacola, but homeownership shouldn't be off the table.



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When it comes to rent, Pensacolians are paying a lot more for less these days and homeownership feels off the table.

Buy ingredients for a healthy meal or snag a \$5 deal through the drive thru? Make a dentist appointment or a car payment? These are the “impossible choices” that Habitat for Humanity Director of Programs Betsy McDonald hears people making on a daily basis during her financial counseling sessions.

McDonald said one of the biggest goals in helping people toward homeownership is giving them the freedom to enjoy life again. Opportunities like Pensacola Habitat’s Home Buyer Program helps build homes with affordable mortgages for people who didn't just consider homeownership a dream, but never considered it all because it felt too out of reach.

“So many members of our community are making impossible choices that I personally just believe is not fair. People should not just have to work and make sacrifices,” McDonald said. “Joy and fun and being with their children and hobbies and all these things that folks should have the opportunity to do – they’re just not able to when they have these high-cost rent payments.”

Pensacola homeowner Rose Mary Hayes felt the overwhelming rush of freedom last September when she paid her last mortgage payment. It required two decades of discipline and sacrifice to break away from the renter’s cycle she was entangled in for good.

“Twenty years ago, I was a single parent with two kids and I was renting a two-bedroom house.... It started getting bad, people selling drugs right in front of my house. And I was like, ‘No, no. You got to move that along. Don’t be selling drugs,’” she said. “My kids – I was

constantly watching them, making sure people weren't trying to get them killed, tempt them with the drugs or anything because it was bad.”

Hayes didn't have a car and would cautiously walk her kids to daycare every morning before catching a bus to go to work herself. Her daughter shared a bed with her, while her son occupied the sole other room.

“There was no way out of at first,” Hayes said. “It was a struggle. But thank God, I was able to make it.”

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CivicCon: Good news, bad news: There's no easy affordable housing solution, but there is a solution

She was approved for Habitat for Humanity's homeownership program and as the walls of her very first home started to go up she knew better times, in all areas of her life, were ahead.

“The Lord blessed me at the same time my house got built – I got a promotion. Then I got my first car,” she said. “Once we got the home, (my daughter) had her own room, (my son) had his and I had mine. So we were very happy. I have a living room and kitchen with open space. It was wonderful, and just what I needed and prayed for... the counter and cabinets!”

Hayes found herself indulging in life's simplest luxuries, like having a safe place for her son to invite his friends to sleep over or a leisurely stroll to a nearby corner store. Family has filled her home for birthday parties and celebrations.

“It's a wonderful thing because I'm telling you what all I've been through and (Habitat) was still right there giving me opportunities,” Hayes said.

Dorca Figaro thought Pensacola was only a stop when her family traveled from Puerto Rico for her heart surgery. Her husband couldn't speak English, making employment hard to come by. Insurance was difficult to navigate. They were living off “the system” as she called it, referring to government aid.

After her surgery and her parents moved in to help, they had eight people living in their three-bedroom house. With suffocating life expenses, buying a house was a far cry from reality. Even so, she took a longshot to apply for Habitat's program anyway.

“Once we got into the program, we were like, “Well, I guess we’re staying in Pensacola!” she said. “Since then, we’ve been here for 18 years...I mean, we never thought we were going to be homeowners in our life.”

“We have a place where we create memories. If you asked (my children), ‘Where do you spend the most wonderful times?’ My kids will say home. We have a yard where we used to do the fire pit and eat marshmallows. We have a dog where we couldn’t have in the apartment. We have a big yard where all our grandkids celebrate their birthdays and holidays,” she said. “It’s a blessing because even though the grown-up (kids) have left the house —they still keep our address. They know it’s a stable place. They know we’re not going nowhere.”

Homeownership not only allows your money to be invested, but it also creates a cycle of generational wealth, according to McDonald.

Even those not part of Habit for Humanity’s homeownership program can begin taking steps toward homeownership now, regardless of past credit history. McDonald shares some of her best tips listed below.

Steps to take right now toward homeownership:

Take an honest look at your credit reports. Free websites like [annualcreditreport.com](https://www.annualcreditreport.com) give you a starting point on what expenses are weighing you down. Ask yourself the question: “Is there something right now I can take care of?”

Clean up open judgments that can appear on your credit report. These judgment records from courthouses can appear on consumer credit reports. Once the judgment is satisfied, the credit reports are positively updated. Unsatisfied reports hurt home prequalification.

Don’t max out credit card limits or miss payments. Time is something that money cannot buy, and qualifiers are looking for patterns of responsibility.

Balance your debt-income ratio. This debt-income metric determines a borrower’s ability to manage the monthly payments to repay borrowed money. McDonald recommends spending no more than 41% of monthly gross income on debt.

Two approaches to try for paying off debt: The snowball method means paying off the smallest debt first, then tackling the next smallest until you get to the largest. The avalanche means taking on the most burdensome debt and attacking it first, making every payment after feel easier.

Build up liquid cash reserves that can be quickly accessed. Habitat requires \$3,500 saved when purchasing a home. This can be difficult to do when simultaneously paying off debt, but starting small is the key, even if it is \$10 at a time.

Find a budgeting method that works for you. Fill envelopes with cash reserved for each bill, download a budgeting app, shade in a coloring sheet with your expenses. There are plenty of free resources online that specifically target this.

Plan for stages of life you're not in yet: Long-term goals should have a place in your savings, like family planning, college fund and retirement. If there is a long-term goal in mind, it becomes easier to save.

Take “spending inventory.” Evaluate what you already have before purchasing. As a rule of thumb, wait 24-48 hours before making a non-essential purchase, even if the item just sits in your Amazon shopping cart.

Spend 30% of your monthly income or less on home payments. Anything over 30% is unsustainable, which is why many apartment renters struggle to cover a monthly payment that is typically double that. Paying an affordable mortgage makes payments more manageable in the long run, and you are paying toward something you can proudly put your name on.

Talk to a counselor. Habitat for Humanity offers HUD Housing Counseling. Services are available to anyone who needs assistance managing their individual or family finances, balancing income and expenses, budgeting, managing debt, improving credit history, saving for future goals, and preparing to purchase a home, according to the Habitat for Humanity website.

Those interested in HUD Certified Housing Counseling Services or want to apply for Pensacola Habitat's Home Buyer Program, more information can be found on the Habitat for Humanity website at pensacolahabitat.org.

