

Your Realtor:



# REAL ESTATE Update™

The Mr. Real Estate  
Team

## 9 Buyer Traps and How to Avoid Them

*"A systemized approach to the home buying process can help you steer clear of these common traps, allowing you to not only cut costs, but also secure the home that's best for you."*

No matter which way you look at it, buying a home is a major investment. But for many home buyers, it can be an even more expensive process than it needs to be since they fall prey to at least a few of the many common and costly mistakes which trap them into either:

- Paying too much for the home they want
- Losing their dream home to another buyer or
- (Worse) Buying the wrong home for their needs.

A systemized approach to the home buying process can help you steer clear of these common traps, allowing you to not only cut costs, but also secure the home that's best for you.

### 9 Buyer Traps

This important report discusses the 9 most common and costly homebuyer traps, how to identify them, and what you can do to avoid them:

#### 1. Bidding Blind

What price should you offer when you bid on a home? How does the seller's asking price match up with recent like home sales? If you fail to research the market in order to understand what comparable homes are selling for, making your offer would be like bidding blind. Without this knowledge of market values, you could easily bid too much, or fail to make a competitive offer. There is a fine line here to be understood. Bidding too much will result in paying too much. Under bidding will most likely result in you losing out on being able to purchase your dream home.

#### 2. Buying the Wrong Home

What are you looking for in a home? A simple enough question, but the answer can be quite complex. More often than not, buyers have been swept up in the emotion and excitement of the buying process only to find themselves the owner of a home that is either too big or too small. Maybe they're stuck with a longer than desired commute to work, or a dozen more fix-ups than they really want to deal with now that the excitement has died down. Take the time upfront to clearly define your wants and needs. Put it in writing and then use it as a yard stick with which to measure every home you look at.



#### 3. Unclear Title

Make sure very early on in the negotiation that you will own your new home free and clear by having a title search completed. The last thing you want to discover when you're in the back stretch of a transaction is that there are encumbrances on the property such as tax liens, undisclosed owners, easements, leases or the like.

#### **4. Inaccurate Survey**

As part of your offer to purchase, make sure you request an updated property survey which clearly marks your boundaries. If the survey is not current, you may find that there are structural changes that are not shown (e.g. additions to the house, , a neighbor's new fence or add-on that now encroaches across the boundary line, etc.). Be very clear on these issues.

#### **5. Undisclosed Fix-ups**

Don't expect every seller to own up to every physical detail that will need to be attended to. Both you and the seller are out to maximize your investment. Ensure that you conduct a thorough inspection of the home early in the process. Please hire an independent inspector to objectively view the home inside and out. A home inspection cost in our area will cost you \$400 to \$600 dollars, but this is money well spent!

#### **6. Not Getting Mortgage Pre-approval**

Pre-approval is fast, easy and free. When you have a pre-approved mortgage, you can shop for your home with a greater sense of freedom and confidence, knowing that your loan will be there when you find the home of your dreams.

#### **7. Contract Misses**

If a seller fails to comply to the letter of the contract by neglecting to attend to some repair issues, or changing the spirit of the agreement in some way, this could delay the final closing and settlement. Agree ahead of time on a dollar amount for an escrow fund to cover items that the seller fails to follow through on. Prepare a list of agreed issues, walk through them, and check them off one by one.

#### **8. Hidden Costs**

Make sure you identify and uncover all costs - large and small - far enough ahead of time. When a transaction closes, you will sometimes find fees for this or that sneaking through after the "sub"-total fees such as loan disbursement charges, underwriting fees etc. Understand these in advance by having your lender project total charges for you in writing.

#### **9. Rushing the Closing**

Take your time during this critical part of the process. Make sure the closing documents perfectly reflects your understanding of the transaction, and that nothing has been added or subtracted. Is the interest rate right? Is everything covered? In most cases you will not see the closing documents until you go in to sign. The most important document to pay attention to would be the HUD Statement which covers in great detail all expense connected to this transaction. As your Realtor I have the experience and know how to help you gain an understanding that the closing documents match what is outlined in your contract.

Note: If this article generates additional questions or a need for additional information, the following link will allow you to ask your question(s), request additional information or make comments. It is not my intent to bug you with unwanted phone calls, emails, or text messages! It is my intent to allow you to benefit from my 35+ years real estate activity and to give you a buying experience beyond your expectations!

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