

Your Realtor:



The Mr. Real Estate
Team

REAL ESTATE *Update*™

6 Mistakes to Avoid When Trading Up to a Larger Home

"... you have to sell your present home at exactly the right time in order to avoid either the financial burden of owning two homes or, just as bad, the dilemma of having no place to live during the gap between closings"



Unlike the experience of buying a first home, when you're looking to move-up, and already own a home, there are certain factors that can complicate the situation. It's very important for you to consider these issues before you list your home for sale.

Not only is there the issue of financing to consider, but you also have to sell your present home at exactly the right time in order to avoid either the financial burden of owning two homes or, just as bad, the

dilemma of having no place to live during the gap between closings.

Six Strategies

In this report, we outline the six most common mistakes homeowners make when moving to a larger home. Knowledge of these six mistakes, and the strategies to overcome them, will help you make informed choices before you put your existing home on the market.

1. Rose-colored glasses

Most of us dream of improving our lifestyle and moving to a larger home. The problem is that there's sometimes a discrepancy between our hearts and our bank accounts. You drive by a home that you fall in love with only to find that it's already sold or that it's more than what you are willing to pay. Most homeowners get caught in this hit or miss strategy of house hunting when there's a much easier way of going about the process. For example, find out if your agent offers a Buyer Profile System or House-hunting Service, which takes the guesswork away and helps to put you in the home of your dreams. This type of program will cross-match your criteria with ALL available homes on the market and supply you with printed information on an ongoing basis. A program like this helps homeowners take off their rose-colored glasses and, affordably, move into the home of their dreams.

2. Failing to make necessary improvements

If you want to get the best price for the home you're selling, there will certainly be things you can do to enhance it in a prospective buyer's eyes. These fix-ups don't necessarily have to be expensive. But even if you do have to make a minor investment, it will often come back to you tenfold in the price you are able to get when you sell. It's very important that these improvements be made before you put your home on the market. If cash is tight, investigate an equity loan that you can repay on closing.

3. Not selling first

You should plan to sell before you buy. This way you will not find yourself at a disadvantage at the negotiating table, feeling pressured to accept an offer that is below-market value because you have to meet a purchase deadline. If you've already sold your home, you can buy your next home with no strings attached. If you do get a tempting offer on your home but haven't made significant headway on finding your next home, you might want to put in a contingency clause in the sale contract which gives you a reasonable time to find a home to buy.

4. Failing to get a pre-approved mortgage

Pre-approval is a very simple process that many homeowners fail to take advantage of. While it doesn't cost or obligate you to anything, pre-approval gives you a significant advantage when you put an offer on the home you want to purchase because you know exactly how much house you can afford, and you already have the green light from your lending institution. With a pre-approved mortgage, your offer will be viewed far more favorably by a seller - sometimes even if it's a little lower than another offer that's contingent on financing. Don't fail to take this important step.

5. Getting caught in the Real Estate Catch 22

Your biggest dilemma when selling and buying, is deciding which to do first. Go up to number 3 above which advises you to sell first. The second best suggestion I can make at this point is to check in with your lender and make it know what you are trying to achieve and ask if lender would be willing to allow you to purchase your new home and sell your current home after you close on that dream home. In most cases, it is my experience, they are willing to assist you in this manner.

6. Failing to coordinate closings

Coordination of all the activities to be carried out by the buyers, the sellers, appraisers, lawyers, loan officers, title company representatives, and home inspectors, offers ample opportunity for things to go side-ways! Letting my experience and working knowledge go to work for you will give you peace of mind and achieve your goals.

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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