



Move-Up Mistakes

Home Buyers Make

*Like everything else, the real estate market has its ups and downs. For sellers in a tough market, getting the most from their home can be a challenge, but for buyers it often means getting more house for their money. For those consumers looking to both sell their house and move into the home of their dreams however, it really does make for the perfect opportunity to **move up**.*

Before you make any decisions, take a look at the top six mistakes buyers make when looking to take advantage of this market trend.

Choosing the wrong (or no) agent: In terms of getting the most from your current home and negotiating the best deal on the new house, don't leave your investment options to chance. An experienced agent can negotiate on your behalf and use all the tools and programs the industry has to offer to work for you.

Not putting first things first: One of the trickiest things in moving up is knowing in which order to take each step in the process. Do you list first? When do you look for a new house? When do you make an offer? What about possession of the current home? An experienced agent will guide you through these twists and turns with ease and help ensure that you have everything moving in the right direction at the right time.

Failing to thoroughly evaluate your financial situation: Buying and selling homes are major family decisions and as such should be thought through thoroughly. Unfortunately, many consumers leap before they look in this situation which can be a recipe for disappointment. Really dig deep and look at, not only how much you're bringing in paycheck-wise but also, how much is going out. The loan to debt ratio is one of the largest factors consumers face when attempting to get a favorable mortgage loan. Things like making large purchases or applying for new credit immediately before hand can really have a negative impact on your buying power.

Overestimating your home's value: Many homeowners make the mistaken impression that they can price their home high and "come down" later when that strategy couldn't be more detrimental to getting the most for their home in the shortest time. I can walk you through the wide spectrum of reasons why pricing right is your best chance at a fast sale.

Not knowing your liabilities: Most know what their mortgage payment is but not necessarily their mortgage payoff or what liens may be associated with their loan. When considering both selling and buying a home, it pays to have your "ducks in a row."

Not doing the math: People get overwhelmed thinking about how much less they might get for their home but forget to look at the flip side: how much less they'll pay for their next. For example, if your home is worth \$200,000 and you want to buy a \$600,000 house, the difference in value is seemingly \$400,000. However with home prices decreasing roughly 10% on average in today's market, your current home's value would be \$180,000 and the home you want to move up to would be worth \$540,000. So while your home value has decreased only \$20,000, the home you want is now \$60,000 less!

If you've thought about moving up to the home of your dreams while taking advantage of low prices and historically low interest rates, call me to walk you through all the information you need.

