

Southwest Washington



The 10 Biggest Mistakes that Home Buyers Make

Trying to Time the Market

Instead of trying to guess the market, it's wiser to choose *your* ideal purchasing timeline. This may be based on personal factors like your financial situation, shifting family needs and wants, or the seasonal patterns in your employment or retirement. We can help you figure out the best time to purchase given your individual circumstances. Delaying your home purchase until prices have hit their bottom may sound like a great idea. However, predicting the market with certainty is next to impossible, and if you wait to buy your next home as mortgage rates are rising you will have to pay more to finance your purchase and you risk not qualifying for the home that you really want!

Making Credit Mistakes

Once you've started the home-buying process, put a hold on additional borrowing! Many home buyers make the mistake of continuing to use credit and expand their debt level while in the mortgage application process. This should be avoided as excessive credit and debt can throw the entire home loan into jeopardy. When lenders see new applications for credit and loans pop up late in the game, higher debt levels can change your eligibility status for the loan. So, the best rule of thumb is to stay clear of any new credit inquiries or large purchases that will either reduce your cash savings or increase your debt levels as the best plan of action. Now is not the time for a big vacation or new car!

Changing employment status.

It's not always under your control, but if you can avoid it, don't make any changes to your employment status while you're buying a house. That includes taking a leave of absence, sick leave, or making a change like switching to part-time. Any change to your employment status may throw up a red flag which again could alter your eligibility and loan approval. If you do make a career move, staying in the same industry may help soften the blow with your lender.

Not Getting a Lenders Pre-Approval

The home buying process tends to be exciting, and the urge to jump in without much forethought – but shopping for a home before getting a lenders preapproval – can be a big mistake.

Taking the time to apply for approval upfront is beneficial to home buyers in several ways. By getting your initial approval through a mortgage lender, buyers have a reliable price range to stay within, so they don't set their sights too high or take on more than they can handle. And as a bonus, being approved makes a buyer appear more serious to sellers.

By verifying some of your financial information, lenders can offer an initial approval of you and your finances. It isn't a final approval that promises you a mortgage, but it can help you get a huge step closer!

Not Hiring a Broker

There's a good reason most home buyers seek the help of a Real Estate Broker. Having a real estate expert in your corner can help ease anxiety and make the home buying process go more smoothly overall. Most of your Real Estate Brokers work only begins after your new home is located. Things like negotiating the offer with the seller's broker, handling all the paperwork between the Seller and the Title / Escrow company, setting up appraisals and inspections, getting quotes for repairs, working to make sure your lender has the contract and inspection reports. And last but not least, keeping you informed and on track through the whole process.

Focusing too much on online listings

Recently with the explosion of the Real Estate market onto the internet many buyers are obsessing with searching for that perfect new home. Unfortunately, none of the online sites are as accurate or up to date as your Real Estate Brokers MLS! Think of Online sites as primarily for entertainment purposes. If you're just looking around for fun online sites are a great place to start. They have what they call "Estimate" of the value of all 130 million properties in America. But they are not known for accuracy! As these sites generally mine information from multiple sources and try to combine it into usable information, it is also not always reliable in terms of what's for sale and what's not. They often show properties as currently listed that are not on the market, and vice versa.

Making unrealistic offers

The price that you want to pay and what the market will pay can be two very different things. The term "Fair Market Value" refers to how a home is valued by both Appraisers and Banks. "Low-Ball Offers can offend the Seller which can be the kiss of death in real estate negotiations.

Underestimating the Cost of Buying

Before you make the decision to buy, it may be helpful to assess your income, debt, and any upcoming expenses during your move. The total cost to buy a home can amount to much more than the purchase price. Having your Real Estate Broker create a "Net to Buyer" calculation will give a general idea of how much money you really need prior to the sale.

Not Getting a Home Inspection

Sellers often hope that buyers won't notice their leaky faucet or broken shutters during home showings. But minor issues like these can be indicators about the homes lack of maintenance and lead to more serious and costly problems lurking out of sight. After all, if the Seller neglected the small stuff, what else is wrong? Even if you do make an offer, most lenders will require you to hire a

professional home inspector, who will report any defects in their report. Negotiating with the seller to address a major issue could lead to asking for costly repairs, money back at closing, or worse yet, cause you to walk away from the purchase altogether.

Not Trusting Your Brokers Advice

Both you and your real estate broker have the same goal...Find the home of your dreams with as little stress and as much profit as possible. When your broker offers advice, it comes from a place of experience and the desire to do the best job possible for you.

Working Together to Find the Perfect New Home!



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