

8 Simple Secrets to Avoid Costly Mistakes Buying Your Dream Home

So you've finally decided to buy your next home. Problem is while you were making up your mind, other fence sitters jumped into the home market too. Now you may be facing some competition for the best properties. What to do? Just because there are other buyers in the market doesn't mean you can't come away with your dream house. But to be a successful buyer in today's real estate market you're going to need help.

Your first best move is to know a few inside tricks. As experienced real estate professionals we have many more than eight ways to increase your chances of landing a prize property despite heavy competition. The following tested tips will increase your market savvy and sharpen your competitive position. Then you'll be ready to act quickly the minute you see that perfect house.

Step 1: Get Pre-Approved

To be pre-approved for a mortgage loan is your first step. You will go through what amounts to a mini-application process (paperwork, credit check, etc.) prior to shopping for a house. Pre-approval is more effective than pre-qualification, which only gives you a rough idea of the amount a lender will lend you—assuming no hang-ups in the credit and income checking process. When you are pre-approved, it's like carrying around a suitcase full of money. In the eyes of the seller, pre-approval makes you a very desirable “cash” buyer. That's a real advantage over another buyer whose financing is uncertain.

Step 2: Beat the Competition to the Newest Listings

Once you know your specific price range, your real estate agent can regularly do a computerized market sweep for new listings. You should receive a hot list of attractive properties as they come on the market. This will give you a head start on other buyers because you will get the listings before they are advertised. Timing can be a vital part of your home buying experience.

Step 3: Do Your Research

Make yourself a “value expert” by investigating local properties to get an idea of price points, listing-to-sale-price ratios, hottest areas, and best places for a bargain. Once you know what your money will buy, your real estate agent can add up-to-the-minute knowledge of what comparable properties sell for in specific neighbourhoods and what impact specific features have on price. Working with a good agent will guarantee you the best price and terms.

Step 4: Have your Agent Present the Offer in Person

Nobody wants their offer lingering on a fax machine in the listing agent's office while other buyers are putting offers on the seller's kitchen table. When the situation calls for that personal touch, you'll gain an advantage by having your agent present your offer in person. He or she may pick up critical intelligence on any competing offers by being on the scene.

Step 5: Prove you Mean Business

An excellent way of showing the seller you are serious about buying the house is to include a good faith deposit along with the offer you make. This deposit could be as much as 5% of the bid price and surely will attract the seller's attention.

Step 6: Stay Cool

When deciding on your dream home you do not have to over pay to get it. Sure, you may have to offer something other than the asking price, such as paying some or all points, inspections, closing costs, or offering a settlement date that fits the seller's timetable. If you over pay now and have to sell your house in the future it will be harder for you to get back equal value.

Step 7: Keep It Simple And Clean

You want to make sure that your contract isn't sloppy or cluttered with contingencies such as repairs. Keep contingencies to a minimum. Even better, offer to be helpful, take care of repairs, order an inspection in 48 hours, or be willing to take care of any required local certificates such as smoke detectors and water safety. Be open and flexible to try to help accommodate the needs of the seller.

Step 8: Don't be a Lone Wolf

What you need most in today's market is experienced professional guidance. As your neighbourhood real estate specialists we can help you get pre-approved, find a prize property, and negotiate the best deal on your next home no matter how heated the competition. Call us today. We'll help you be a cool customer.