



8 Mistakes to Avoid When Buying a Home

You've been saving for a while, weighing your options, and looking around casually. Now you've finally decided to do it—you're ready to buy a new place. The process of buying a new home can be incredibly exciting, yet stressful, all at once. Where do you start?

It's essential you do your homework before you begin, learn from the experiences of others, and do some research. Of course, with so many details involved, the odd slip-up is inevitable. In order to avoid some pitfalls, the following are a guide to 8 of the most common mistakes.

1. Searching for houses without getting pre-approved:

Do not mistake pre-approval by a lender with pre-qualification. Pre-qualification, the first step toward being pre-approved, will point you in the right direction, giving you an idea of the price range of houses you can comfortably afford. Pre-approval, however, means you know exactly what rate you qualify for, making negotiations with the seller much easier.

2. Allowing “first impressions” to overly influence your decision:

The first impression of a home has been cited as the single most influential factor guiding many purchasers' choice to buy. Make a conscious decision beforehand to examine a home as objectively as you can. Don't let the current owners' style or lifestyle sway your judgment. Beneath the bad décor or messy rooms, these homes may actually suit your needs and offer you a structurally sound base with which to work. Likewise, don't jump at a home simply because the walls are painted your favorite color. Make sure you thoroughly investigate the structure beneath the paint before you come to any serious decisions.

3. Failing to have the home inspected before you buy:

Buying a home is a major financial decision that is often made after having spent very little time on the property itself. A home inspection performed by a competent company will ensure you totally understand the property you're going to buy, offering you added reassurance that the choice you're making is a sound one, or alerting you to underlying problems that could cost you significant money. As your Realtor, I can suggest reputable home inspection companies for you to consider and will ensure the appropriate clause is entered into your contract.



4. Not knowing and understanding your rights and obligations as listed in the Offer to Purchase:

Make it a priority to know your rights and obligations inside and out. A lack of understanding about your obligations may, at the very least, cause friction between yourself and the people with whom you are about to enter the contract. Wrong assumptions, poorly written or missing clauses, or a lack of awareness of how the clauses apply to the purchase, could also contribute to increased costs. These problems may even lead to a void contract. Take the time to go through the contract with a fine-tooth comb and ensure you thoroughly understand every component.

5. Making an offer based on the asking price, not the market value:

By reviewing a current Comparative Market Analysis, you will have the information necessary to gauge the market value of a home and avoid over-paying. What have other similar homes sold for in the area and how long were they on the market? What's the difference between their asking and selling prices? Is the home you're looking at underpriced, over-priced, or fair market value? Many sellers receive a Comparative Market Analysis before deciding upon an asking price, so make sure you have all the same information at your fingertips.

6. Failing to familiarize yourself with the neighborhood before buying:

Check out the neighborhood you're considering and ask around. What amenities does the area have to offer? Are there schools, churches, parks, or grocery stores within reach? Consider visiting schools in the area if you have children. How will you be affected by a new commute to work? Are there infrastructure projects in development? All of these factors will influence the way you experience your new home, so ensure you're well-acquainted with the surrounding area before purchasing.

7. Not looking for home insurance until you are about to move:

If you wait until the last minute, you'll be rushed to find an insurance policy that's the ideal fit for you. Make sure you give yourself enough time to shop around in order to get the best deal.

8. Not recognizing different styles and strategies of negotiation:

Many buyers think that the way to negotiate their way to a fair price is by offering low. However, in reality this strategy may actually result in the seller becoming more inflexible, polarizing negotiations. Trust your realtor's knowledge and skills, as we will know what strategies of negotiation will prove most effective for your particular situation.