



The Wolff Group

ReMax Valley Properties

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6 Mistakes to Avoid When Trading Up to a Larger Home

"... selling your present home at exactly the right time will help avoid either the financial burden of owning two homes or 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 take advantage of the Wolff Group's cunning strategies to minimize any complications.

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 Wolff Group's strategies to overcome them, will help you make informed choices before you put your existing home on the market.

1. Effective house hunting

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 or you visit open houses not realizing they're just the tip of the iceberg. 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 supplies 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. Maximizing Your Homes Sales Price

If you want to get the best price for the home you're selling, there will almost 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. The Wolff Group's strategies are proven to maximize your price per square foot.

3. When should you sell?

Usually, you will want 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 one 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. If the market is slow and you find your home is not selling as quickly as you anticipated, another option could be renting your home and putting it up on the market later - particularly if you are selling a smaller, starter home. You'll have to investigate the tax rules if you choose this latter option.

4. Exercise your financing options

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. Be sure to take advantage of this opportunity.

An equity line of credit can make your life so much easier. It gives you the freedom to buy your dream home if it becomes available before you current home closes.

5. Manage your move date

Your biggest dilemma when buying and selling is deciding which to do first. Point number 3 above advises you to sell first. However, there's no way to really know how long it will take to purchase your new home once you're in contract on your old one. An easy way to eliminate some of the stress is to demand a rent back period after the close of escrow. This will allow you to stay in your current home a while longer while you search, reducing the risk of moving twice.

6. Stay on top of the details

With two major transactions to coordinate together with all the people involved such as mortgage experts, appraisers, lawyers, loan officers, title company representatives, home inspectors or pest inspectors the chances of mix-ups and miscommunication go up dramatically. To avoid a logistical nightmare ensure you work closely with your agent. The Wolff Group's proven project management expertise coordinates all the tasks and people to avoid surprises.