

Buy or Sell First



If you are considering looking for a new home and you're wondering what your strategy should be: To find the perfect new home before listing your current home on the market, or do you sell first and then look around? Use the following as a guide to explore what might be the best move for you.

Sell First:

There are several benefits to selling your current home before searching your next home. First of all, you will know precisely how much money you have to work with, able to narrow the pool of properties before you are looking, you have a wider opportunity to look around, able to leverage your financing, unable to negotiate offers on the home that you are serious. .

The flip side of this scenario is that if you don't find the right property before the closing date of the house you've already sold, you may have to look for temporary housing until you find what you're looking for, you and your family have to deal with living in a transition in case you have to move from your house before you've found a new one.

Buy First:

If you are interested in a specific property and you will only sell your current home if this property comes on the market, buying first means you don't miss out on the opportunity to get the home you wanted, but this doesn't guarantee the price you'll ultimately receive for the home after the negotiation process has run its course, if your budget is tight, jumping into the purchase first could be a burden.

You should familiar with all aspects of the financial scenario before you purchase another. You may get a financial evaluation prior to made the decision for owning two homes at once. if you buy another property and aren't able to sell your current home quickly enough, you may end up having the financing on both homes and shoulder the extra debt until you sell.

Conditional Offer:

An option involves making your offer to purchase conditional upon the sale of your current property within a specified period. Conditional offers usually include a clause that allows the Sellers to keep their property on the market and remain open to other offers while trying to sell your home. If the Sellers receive another attractive offer before you've sold your home, they may ask you either remove your condition or firm up your offer, or to back down from the offer. A conditional offer is for those who are afraid to sell or buy first, but doesn't hold the advantages of the other two options.

One of the drawbacks of the conditional offer is that Sellers tend to take them less seriously. They definitely give stronger consideration to the firm offers and leaves you with less negotiating power. In fact, some Sellers will simply turn down or counter a conditional offer, it may end up having to increase price of your offer in order to have the conditional offer accepted. Even if the conditional offer is accepted, there is no guarantee another Buyer won't step in and overthrow your offer; also, consider the fact that you cannot withdraw your conditional offer until the end of the period. You may lose the opportunities if there is a better deal in the market on another for sale property.