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The Seven Most Common Mistakes Buyers Make And How *You* Can Avoid Them

Purchasing a home should be an exciting experience! Unfortunately, for many, it also ends up being frustrating and unnecessarily expensive. A bad experience can be easily avoided if you are properly prepared. We work hard to educate our buyers to ensure that the purchase process runs smoothly. We prepared this special report, which outlines the seven most common and most expensive mistakes buyers make. We hope you will find it useful.

1. Not Getting Pre-Approved First

The very first step towards buying a home should be getting pre-approved for a mortgage loan. We have several experienced local lenders who we feel very comfortable referring to our clients. These lenders are accessible and provide clear and timely communication. This is an absolute must if you want to avoid major disappointments and unexpected surprises.

Getting pre-approved is easier than you think. Once you decide on a lender, you should meet with him or her to discuss your purchase needs. You will provide your social security number to initiate a credit check. The lender will evaluate your credit, verify your income and employment, and determine what kind of loan makes the most sense for your particular needs. Once this process is complete, your lender can provide you with a pre-approval letter to accompany an offer, which has become standard in today's market. This document shows sellers that you are serious and can obtain financing. Now we can get started searching for homes for you on the Multiple Listing Service (MLS) in your price range.

2. Rushing To Buy Without Doing The Research First

Many buyers are so excited and anxious to get started with their home search that they forget to do some planning first. Which area do you want to live in? Are the homes in that area in your price range? How long of a commute can you tolerate? How many bedrooms and bathrooms do you need? It is a good idea to make two lists – one with “must-have” amenities and one with “would like to have” amenities. For example, three bedrooms may be on the first list, but a “jetted” tub may better be suited for the second list.

3. The Analysis Paralysis

Once you start looking at homes, you may get overwhelmed and start over-analyzing even the most mundane aspects of every home. The over-analysis soon leads to paralysis – you cannot decide which one to buy. Remember, there is no such thing as a perfect home. Even brand new homes have imperfections. Look at the overall picture. Does the home fit your needs? Do you feel comfortable in it? Do you like the neighborhood? Can you see yourself living there for a long time? Your “must-have” list comes in handy now; does the home have everything on that list? If not, move on.

4. Making Lowball Offers

Most sellers have an emotional attachment to their homes. It's a place where they've invested time and quite a bit of money making it their own. They may have raised their family or celebrated major life events there. The value is sentimental and monetary. If you disregard this complex relationship with a lowball offer, you risk insulting the sellers and losing out on the home. If your plan is to get a counter offer and settle somewhere in between, starting off with a too-low offer can be so off-putting to the sellers that they refuse to work with you. Put yourself in the sellers' shoes: How would you feel if you received such an offer? When it comes to buying someone's home, it's not strictly business.

Everyone loves a great deal, but there are good and bad strategies to be aware of. Making a lowball offer is a bad strategy. As your Realtors®, we will provide you with a market analysis to assist you in determining how much to offer, and negotiate with the seller on your behalf. Be realistic and avoid antagonizing the seller. The seller that likes you will be far more open to working with and negotiating than the one who dislikes you.

5. Not Getting a Professional Inspection

This should go without saying – a home is the most expensive purchase that most of us will ever make in our lives, so inspecting it for possible problems should be a top priority. Do not rely on a relative “who knows all about that home stuff”. There is no substitute for a thorough, professional inspection. We have several “Master” Inspectors that are affordable and will provide honest and thorough reporting to you. \$350-\$400 is a small price to pay to have the peace of mind that your new home is in good and safe condition.

6. Not Paying Attention To Contingencies

Real estate transactions are complex matters and there are many things that can go wrong during the process. The purchase agreement contract is your main tool for protecting yourself, and should at the very least contain two important contingencies (conditions).

The inspection contingency allows you to have the property professionally inspected (as discussed above), and request that the seller make any necessary health and safety repairs.

The mortgage contingency is there to protect you in case something goes wrong with your loan approval process. If you have received the pre-approval, the risk of something going wrong with the loan should be minimal. There is still the appraisal that your lender will require, and the appraiser will have to determine if the home is worth the price you have agreed to pay.

7. Doing It Alone

When buying a home, many pieces need to fall into place in order to have a smooth transaction. A Buyer's Broker will help you with the loan process, help you find the right house, negotiate on your behalf, and manage the paperwork and deadlines. The best part of working with a Buyer's Broker is that we are FREE for the buyer! That's right, you don't pay a penny to have a professional on your side. The Buyer's Broker is paid a portion of the Seller's Brokers commission, so you don't incur any additional expense.

We will do research on the areas where you want to live, we are adept negotiators and we will guide you through the complexities of the contract and paperwork, and will care about your purchase as if it is our own. Please feel free to ask for references from our past clients.