

The 10 Dumbest Mistakes

Smart People Make When Buying or Selling a Home... and How to Avoid Them

BUYERS

Mistake #1: Not knowing how much they can afford to pay for a house before they make an offer.

You can avoid this by getting pre-qualified for a mortgage from a Lender, so you know in advance exactly how much you can afford.

Mistake #2: Not finding out in advance whom the real estate agent represents.

You can avoid this by asking your REALTOR®. Most people think their agent is working for them. But unless the agent is working as your buyer representative, he/she represents the seller.

Mistake #3: Not realizing that the wrong mortgage can cost thousands of dollars in unnecessary interest and taxes.

You can avoid this by consulting with a mortgage consultant, accountant, and/or financial planner before making a final decision on which mortgage to choose. CPAs can tell you the long-term effects on your income.

Mistake #4: Not discovering hidden defects before buying a home.

You can avoid this by hiring a professional to conduct a pre-purchase home inspection.

Mistake #5: Not knowing how debt can affect their ability to buy or refinance a home.

You can avoid this by asking your mortgage professional to help you review and repair your credit file in advance.

SELLERS

Mistake #1: Setting their asking price too high because of personal need or emotion rather than fair market value.

You can avoid this by consulting with a professional real estate agent. He/she can assist you in pricing your home correctly.

Mistake #2: Failing to “showcase” their home by highlighting the best features.

You can avoid this by thoroughly cleaning, repairing, and readying your home for showing before you put it on the market.

Mistake #3: Signing a listing contract with no way out.

You can avoid this by asking your real estate agent if you can cancel your listing agreement at any time, no questions asked, prior to signing the contract or agreement.

Mistake #4: Choosing an agent for the wrong reasons. For example, listing a home with the agent who works for the most popular company.

You can avoid this by selecting a listing agent with the best marketing plan and track record.

Mistake #5: Not knowing their legal rights and obligations.

You can avoid this by consulting a knowledgeable, trustworthy professional who understands the technical and legal aspects of a real estate transaction. Contracts are legally binding. Neglected details can wind up costing sellers thousands of dollars.