

Ready To Buy? Avoid The Most Common, Painful Mistakes That Cost Buyers Thousands!

By Thomas Lee

Use A Guide!

The home buying process is full of potential pitfalls. Most of those potential pitfalls result from making poor decisions, including: choosing the wrong type of home, the wrong lender, failing to get a thorough inspection and problems with the title. The last two potential problems can cost you a lot of money and grief!

Do not buy without a real estate agent! First, your agent will help navigate you through the entire home buying process and help you avert many of these mistakes. Secondly, the seller pays your real estate agent's fees. Buying a home through your agent costs you *nothing!* Now imagine if our other professionals, including accountants, attorneys and doctors, cost us nothing!

Below are the most common mistakes buyers make, which often costs them thousands of dollars and loads of grief:

1. *Not Planning Before Purchasing.*

Like buying a car, searching for a home can be impulsive and emotional. Don't let one aspect of the home (its appearance for instance) be the sole factor in your buying decision. Sit down with your real estate agent and *map out a strategy*. Answer the following questions before you begin searching: 1) *Where* do I want to live? Do I want to commute? What area has the highest price appreciation according to my agent? 2) *How Much* can I afford? The first thing you should do is have your real estate help get you pre-approved. That way, you'll save yourself a lot of time by not looking at homes you simply cannot afford. Also, how much do you have as a down payment? 3) *What type* of home do you want? Be brutally honest with yourself.

“Before you close on your home, do not assume that all of the repairs you asked for have been done. Walk through the house before closing, and make sure the repairs have been done.”

The point of this exercise is to make sure you make the best *investment* and live in the right *area*. Also, you don't want to be over-extended with your mortgage payments!

2. **Not Identifying Opportunities.**

Before you buy a home at or above market value, find out where the “deals” are. Your agent probably knows of a several sellers in your market that are selling due to “special circumstances”. Perhaps once seller in the neighborhood you want to live is getting divorced. Maybe another one is being relocated by her or his company and needs to sell fast. How will you know if a seller in the neighborhood lost her job and is willing to sell for thousands below list? Work with your agent on this!

3. **Not Finding The Right Lender**

Getting the right type of loan for your situation is critical. There is myriad of lenders vying for your business. Many are online, many are local. The difference truly is the *person* you work during the lending process. Your real estate agent typically works with one or a handful of lenders she or he has good relationships with. A good lender will make sure you get the right loan at the right rate. Be careful!

4. **Failing To Get A Good Title**

Nothing can be more draining, both financially and emotionally, than buying a home with a “clouded” title. For example, you may buy a house and learn after the fact that the previous owner still owed a contractor \$5,000 for the remaining payment on the basement remodeling. The contractor filed a lien on the property prior to the sale. That lien is now on your property! Your real estate agent will help make sure the title to the property is free and clear. Also, your agent will help you purchase title insurance.

5. **Failing To Get A Good Inspector**

Like any profession, there are good inspectors and those who tend to overlook a lot of problems. You want an inspector that will scrutinize every aspect of the house. Your real estate can recommend good inspectors. If you're afraid of a possible conflict of interest, look in the yellow pages and hire your own. Make sure you get several referrals from past clients. Most importantly, make sure you do not buy a house that has structural or other defects because the inspector overlooked them! This will cost you!

6. **Wasting Your Time**

All too often, buyers waste hours in front of their computer combing through online real estate sites. Problem is, these homes are usually not the *best* deals. Save your time. Spend it on things that are important to you . . . family, friends, work, etc. Your agent will notify you when the right homes become available.

7. Failing To Do A Final Walkthrough

This is can be a critical mistake. Before you close on your home, do not assume that all of the repairs you asked for have been done. Walk through the house before closing, and make sure the repairs have been done. Make sure nothing else has changed. Once you buy the home, any problems are yours!

I hope this informational report was informative. As your local real estate professional, I am available to answer any questions you have about purchasing your next home. You can call me at any time for advice, and please remember that you are under no obligation or pressure of any kind. I would very much like to help you.

Best Regards,

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