

10 Deal Wreckers

Whether you're planning to buy or sell a home;
watch out for these common mistakes.

For many, a new year may mean a home purchase or sale. If you're planning on being on either side of the closing table in 2009, you will need to avoid these 10 deal-wreckers, as provided by MSN.com.

1

Not understanding the length of the process.

Buyers and sellers often err in thinking that the home buying or selling process is shorter than it is. There are a thousand things that can hold things up – sellers can be slow on formally accepting an offer, buyers have trouble selling their old house, financing is held up, repairs need to be made, etc. Make sure to allow two to three extra months to complete the deal.

2

Tipping your hand.

As with any negotiation, not having a good poker face can ruin the deal for you. Try to contain your enthusiasm for a house, as sellers and their agents can try to take advantage of it. Also, don't let your love for a property cloud your good judgment.

3

Assuming the appraisal and the actual value are one in the same.

Yes, appraisals are meant to be objective estimates of value. Different appraisals can come up with different results. Sellers should have their agent perform a comparative market analysis to get a better idea of their home's true worth before putting it on the market, while buyers should request a similar service from their agent.

4

Skipping loan preapproval.

This is a crucial step for buyers, and one that may seriously affect your chances of getting a good home quickly. Obtaining preapproval for a mortgage will give you a better idea of how much you can safely borrow, and will allow you time to correct any problems. It also marks you as a serious buyer, and sellers with a potentially hot property should never settle for anything less than proof of preapproval.

5

Trying to time the burst of the bubble.

Trying to time a purchase or sale with when the real estate bubble is going to burst is nearly impossible. And, in most parts of the country, the bubble is still intact. In reality, real estate bubbles don't "pop" anyway: they deflate and then inflate again with market fluctuations. Buyers and sellers should realize that real estate is always a long-term investment.

6

Living outside of reality.

When buying a home, if you only follow your heart, you may be in for some nasty surprises later on. Your dream home

may be your dream home, but make sure to consider the big picture, including the commute, area schools, taxes, homeowner association and other quality-of-life-affecting aspects of home ownership. That fantastic house may not be worth the other trouble it creates in your life.

7

Hiring the wrong real estate agent.

This one can really affect the buying or selling process. Always interview several agents, and make sure to obtain references. Don't only look at large companies or top-producing agents. Also, seriously think before hiring a friend or family member who is an agent. Remember also that an agent who suggests the highest listing price or has the lowest commission is not necessarily the best choice. If you remember the mnemonic SEED – smart, empathetic, experienced and dedicated – you will usually be happy with your agent.

8

Not knowing the contract.

Since the contract is a legally binding document, not knowing what you're signing can be a very big mistake. Review it carefully before signing, and make sure it contains everything it should, including who is paying for what and any verbal commitments. Make sure your agent takes an active part in the construction and negotiation of the contract. This is one step that can cause you large amounts of time and heartache if done wrong.

9

Timing the transaction incorrectly.

As you may imagine, two mortgages can be extremely difficult to manage. If you are selling your current home and buying another home, keep in mind that the sale of your current home is the most important transaction. If you have a choice, secure the sale of your old home before you sign a contract for the new home.

10

Not doing a criminal search.

Agents in many areas of the U.S. are not obligated to tell buyers if there is a sex offender or other criminal residing in the neighborhood. Ask your agent to provide you with this information, if possible, and also do your own research. Check with the local sheriff's office to find out how to access sex offender and other criminal databases.

Disclaimer: The information above is deemed reliable. However, because current demographics, local yellow pages listings, and other neighborhood information such as crime statistics, weather, house values, and other market conditions can change rapidly in any given local area, please check with the exclusive HBMP Realty real estate agent for the data above before acting on this information. HBMP Realty, Inc. is not liable for the accuracy of the data.