

The 10 Dumbest Mistakes Smart People Make When Buying or Selling a Home – and How to Avoid Them

Buyers

Mistakes	Prevented By
1. Not knowing how much they can afford to pay for a house <i>before</i> they make an offer.	Getting pre-approved for a mortgage from a Lender, so you know in advance exactly how much you can afford.
2. Not keeping your emotions in check and getting emotionally invested in a property or getting reactionary during a negotiation or transaction.	Having a back up property or 2. Remind yourself that many issues can arise before closing. Hire a home buying team to counsel and guide you through the process. Trust your team to handle the details.
3. Not realizing that the wrong mortgage can cost thousands of dollars in unnecessary interest and taxes.	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.
4. Not discovering hidden defects before buying a home.	Hiring a professional to conduct a pre-purchase home inspection.
5. Not knowing how debt can affect their ability to buy or refinance a home.	Asking your mortgage professional to help you review and repair your credit file in advance.

Sellers

Mistakes	Prevented By
6. Setting their asking price too high because of personal need or emotion rather than fair market value.	Consulting with a professional real estate agent and/or hiring an appraiser. Develop a solid pricing strategy prior to listing.
7. Failing to “showcase” their home by highlighting the best features.	Thoroughly cleaning, repairing, and readying your home for showing before you put it on the market.
8. Signing a listing contract with no way out.	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.
9. Choosing an agent for the wrong reasons. (For example, listing a home with the agent who works for the most popular company.)	Selecting a listing agent with the best marketing plan, service offering, experience, and fee/commission plan.
10. Not knowing their legal rights and obligations.	Hiring and consulting with a knowledgeable, trustworthy <i>real estate</i> attorney 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.

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