

# New Year's Resolutions for Homebuyers and Sellers

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It's January, again, and that means most of us are making our resolutions for the coming year. Some people will be aiming to generally improve their lives while others may set very specific goals to put them on track for something big, like buying or selling a home. If you are looking to buy, sell real estate this year, here are some resolutions you may want to consider adding to your list.

## 3 Resolutions for Homebuyers

Whether you are a couple searching for their first home or a seasoned real estate investor looking for a new property to flip or rent out, here are three essential goals to help succeed in making your purchase...

### #1 Make Time to feel out the Market

Most homebuyers think they have to be ready to buy to start scoping out the market, but in reality, a buyer might need months to learn the marketing and neighborhood, compare home values, review schools and weigh their personal needs against these options. Looking at homes online or going to open houses in the neighborhoods where you want to buy will allow you to start feeling out the market. Set aside some time each day or a few hours on the weekend to learn as much as you can about your potential market.

## #2 Put Your Financial House in Order

Buying real estate takes time, effort and planning, so you should consider meeting with a trusted financial professional early in the year to get a firm grasp on the state of your finances. You will need to assess your credit score, savings (for a down payment), cash reserves and more to determine how you will finance your purchase.

Since the 2008 housing crash, it is rare for buyers to qualify for low or no down payment loans. A new buyer should now expect to pay at least 3.5 percent of the house's value. The bigger the down payment you can afford, the better the mortgage deal you're likely to get, so the 20% down payment rule is making a return. Start saving now.

Your credit score and credit history are two of the biggest factors banks will look at when deciding whether or not to give you a loan. Get to you know your credit score from a lender's perspective. While you may have a decent score, your lender will be looking at your ability to pay on time as well as your credit usage. If you have credit issues, identify what they are and the necessary steps to correct them; it can take six months or more to see your FICO score improve to get you a better mortgage rate.

Making big purchase several months before applying for a loan can affect your credit usage and score, as a result, the lender may reconsider. And if you think paying with cash will help, forget it, because a lender will need to see your cash reserves before granting you a mortgage.

## #3 Get Pre-Approval

If you feel your finances are sufficient and you are ready to start the process of searching for a home, make it your goal to obtain a loan pre-approval letter from a lender. This is not a pre-qualification, which performs a cursory review of your financial history and does not ensure a loan will be granted.

A lender will look at your income, credit and your cash reserves to offer you different mortgage options. Assuming you qualify you can be presented with a pre-approval letter you can take to your agent and sellers confirming how much you can afford to spend on a home. A pre-approval letter may give you an advantage with home sellers looking for a quick and painless escrow process.

## 3 Resolutions for Home Sellers

Moving for a new job? Time to upgrade after having a few kids? Ready to sell your vacation home? If you want to sell a home in 2015, here are 3 goals to get you ready...

### #1 Make an Exit Strategy

Uprooting yourself from a home is not easy; combine that with the stress of buying a new home *and* moving, it is bound to bring up all kinds of financial, emotional and physical stress. Will you sell

first then buy or vice versa? What if you have to go into short-term housing? Are there things you can do to your current home so that once your new home closes, you will be ready to list?

If you already own a home, but are dreaming of a move, take a look at your current mortgage. You should check your rates and make sure you have the best interest rates possible, you might save money over the long-term by refinancing since rates are finally expected to *slowly* climb back up sometime in late-2015 and beyond.

There is a lot to think about and plan for, and it helps to have a strategy in place well before you have to take action. Sit down with your family and, perhaps, a trusted financial planner to design an exit strategy to help you plan and timeline your sale.

## #2 Treat Your Home as an Investment

When it comes time to sell it can be hard for some sellers to accept that your “home” is just another product on the market. Buyers will compare it and its price to competing properties, so it needs to appeal to a wide audience as opposed to your personal tastes and uses. Resolve to start treating your home as an investment you need to sell for the best rate of return instead as your home space.

Properties that are priced right and show well sell the quickest. A home that shows well is free of clutter, clean and as up-to-date as possible. Start clearing out old stuff. Apply fresh coats of paint. Repair and or replace damaged doors and windows. You may even consider setting goals to make larger improvements or changes over the next few months to help you spread out the costs.

## #3 Appeal to Online and Mobile Buyers

Research indicates that the majority of home searches begin online, with mobile devices becoming the norm. If you want to attract the right kind of buyer activity with a good first impression, consider optimizing your listing so it can be found online, in local listings and through mobile apps. This includes photos, a description and accurate data that will encourage them to inquire.

## Find a Trusted Real Estate Agent This Year

Both homebuyers and sellers can add **finding a trusted real estate agent** to their list if they want to have a successful closing in 2015. Engaging a real estate agent early in the process will be an advantage. They can be your strategic adviser with the expert market knowledge to help you put the pieces together well in advance of any actual transaction. Additionally, a good agent can recommend a trustworthy, experienced and local mortgage professional to secure your loan or refinance when you are ready.

For buyers, an agent can offer time and money saving opinions, thoughts and ideas to put you on a path towards success. On the seller side, a good agent can help put your property and listing in order, as well as head-off or clean it up issues that might hinder a profitable transaction.

And remember, if buying or selling a home is on your list of goals for 2015, resolutions are the easy part – following through involves a lot of hard work. Use these real estate resolutions to achieve great things for you and your family. Need a referral to a great advisor? Let me know. ---