

Buy or Sell First?

If you are considering looking for a new house, and are a current homeowner, then chances are you're wondering what your strategy should be: do you wait to find the perfect new home before you put your current home on the market, or do you sell first and then look around? You have a few options. Use the following as a guide to explore what might be the best move for you.

Sell First:

- 1. Know Your Budget:** Once you sell your house, you'll have a clear idea of how much money you have to spend on your next home. This helps you focus on homes within your price range and negotiate with confidence.
- 2. Make Firm Offers:** With cash in hand, you can make firm, unconditional offers on homes you want, which can be more appealing to sellers. Sellers often prefer unconditional offers because they know you're serious and ready to move quickly.
- 3. Better Negotiation Leverage:** Sellers tend to take unconditional offers more seriously and may prioritize them over offers with conditions. If you make a solid offer right away, the seller might be more inclined to accept it rather than risk you moving on to another property.
- 4. Flexibility and More Options:** Selling first allows you to take your time to look for the right home and potentially find a better deal.

However, there is a downside:

- If you don't find a new home before the closing date of the one you've sold, you might need temporary housing, which could be inconvenient or costly.

Considerations Before Selling First:

- Do you have temporary housing options in case you need them?
 - How would your family handle living in a transition home for an unknown period?
-

Buy First:

Why You Might Buy First:

- 1. Unique Opportunity:** You might find a property you've been waiting for, or one that catches your eye with a great price or unique features. You may want to act quickly to secure it before someone else does.
- 2. Timing Advantage:** Sometimes, buying first can mean not missing out on the home of your dreams, especially if you're afraid it will sell quickly.

Risks of Buying First:

- **Financial Risk:** If you buy a new home without selling your current one, you might have to cover the costs of both homes. This could put you in a difficult financial situation if your current home doesn't sell quickly.
- **Uncertain Selling Price:** Even if you get a financial appraisal or market evaluation for your current home, there's no guarantee you'll get the expected price after negotiations.
- **Potential Pressure to Sell Quickly:** If your current house doesn't sell in time, you may feel pressured to accept a lower offer to align the closing dates of both homes, which could impact your financial situation.

Considerations Before Buying First:

- Are you prepared to handle the financial burden if you own two homes at once?
- What would happen if you had to lower the price of your current home to sell it quickly?

Option: Make a Conditional Offer

1. What is a Conditional Offer?

- You offer to buy a new home only if your current home sells within a certain period.
- The seller can still keep their property on the market and accept other offers.

2. Risks of a Conditional Offer:

- **Less Negotiating Power:** Sellers often prefer firm offers and might turn down or counter a conditional offer.
- **Uncertainty:** Another buyer could make a better offer and "bump" you out of the deal.
- **Limited Flexibility:** You cannot withdraw your conditional offer until the specified period ends, so you might miss other opportunities.

3. Advantages and Disadvantages:

- A conditional offer provides a middle ground for those hesitant to buy or sell first, but it does not offer the same advantages as a firm decision.

When deciding whether to sell your current home before buying a new one, selling first provides a clear budget, stronger negotiating power, and flexibility, but risks needing temporary housing if you don't find a new home in time. Buying first can secure a unique property or a great deal but comes with financial risks, like owning two homes at once or needing to sell quickly at a lower price. A middle ground is making a conditional offer, but it offers less negotiating power and comes with uncertainties. I can guide you through this decision-making process, helping you weigh the pros and cons based on your unique situation and goals.