

Avoid these five home-buying mistakes

By David Cook

Whether you're purchasing your first home or moving to a new location, buying a home should be one of the most exciting and important transactions you make.

The past year has experienced one of the hottest real estate markets in recent history. Economic recovery, affordable interest rates and record low home inventory have all contributed to this "boom" in the real estate market. As the school year begins and we enter the fall and winter, the market should stabilize and calm down a bit from the "multiple offer frenzy" we experienced just a few weeks ago. The latter part of the year offers some of the best opportunities for buyers to find a home and make a great deal. However, the market is still active and there is always competition for that "dream home." If you avoid these common mistakes, your odds of success will be greatly improved.

Working with more than one agent. Always work with a realtor. Being professionally represented by a knowledgeable real estate agent will not only improve the odds of finding the right home, but will give you the most current market information and negotiating experience you need to secure the deal and guide you successfully through the closing process. According to the National Association of Realtors, over 40% of unrepresented buyer's that enter into a real estate contract fail to reach closing.

It is a good idea to dedicate yourself to working with one



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agent. While I enjoy watching "Double Agents" on cable television's The Home Channel, it's not a very good idea in practice. Realtors' work on commission. Once you have selected an agent you trust, assure them that you will work only with them, so that they can focus on dedicating their time and energy to you and your goals. Your loyalty will be repaid by their loyalty to you.

Ask to sign a "Buyer's Agency Agreement." By placing your agent under a Buyer's Agency Agreement, your agent will be obligated in writing to be your advocate.

Not getting pre-approved by a lender. With two seemingly equal offers on the table, a seller will almost always choose the offer with a Pre-Approval Letter attached. Next to the purchase price, this is the most common reason offers are rejected by sellers. By arranging your financing in advance, you will become in effect a cash buyer. It usually only takes a short time to get pre-approved and it will allow you to negotiate from a position of financial



strength.

In addition, a mortgage broker can assist you to consider how much of a home you can afford and what monthly payment may fit your budget. There are plenty of mortgage brokers out there with lots of different loan programs and loan rates. Ask your Realtor to recommend a mortgage broker they have had a good track record using with other buyers.

Buying the first house you see. I like to tell buyers, "There is always another house." Buying a new home can be an emotional decision. All too often, buyers fall in love with

the first or second home they see and make an offer. Take the time to see what's on the market and avoid the impulse to buy on your first weekend out. Once you have found the right home, don't be indecisive either. You don't want to lose your dream home because you had to "think it over." Secure the home with a contract and if you change your mind, you can exit the deal through your inspection period.

Not listening to your Realtor. Now that you're ready to make an offer, listen to your Realtor?. Many buyers lose the home they want by thinking

they can save money by making a low offer. Your agent will share with you the information about the current market value of the home and the seller will likely have the same information. By not making a realistic offer, you may insult the seller and allow another buyer to get the home.

Not performing a professional home inspection. No matter how terrific a home looks to you, always make your offer subject to a home inspection performed by a competent, licensed home inspector. A home inspector will perform a thorough inspection of the home and will provide you with a report that you can use to support repairs requested of the seller prior to closing. This is an important hurdle to navigate during the closing process and while asking for reasonable repairs is expected, asking for too much can make your deal go south real fast. Ask your Realtor? about obtaining a one-year home warranty. This is a great home repair insurance policy and often agents will provide this as part of their service.

If you follow these simple steps to buying your next home, you will have the best chances for finding the right home, at the right price and enjoying the experience of making what could be your family's biggest investment.

Have fun – it's a great time to buy Real Estate!

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