



Avoid the Most Common Buyer Errors

A lot can go wrong when purchasing a house. I urge you to prepare yourself as best you can, in an effort to eliminate mistakes and ensuring the buying process proceeds as smoothly as possible. To help prepare, answer some questions for yourself and put your ducks in order. The following are some of the most common errors buyers make that you want to avoid:

1. Failing to Set a Clearly Defined Objective

You have to clearly define *what* you want in order to recognize it when it's staring you in the face. This might seem simple but you'd be surprised how few people have this clarity when they set out to buy.

2. Not Seeking Professional Help

This point cannot be stressed enough, before you do anything you need to assemble your team. For the basics, you'll need a loan officer, an escrow agent, a home inspector and a real estate agent. Most real estate agents will have contacts with each of the former.

3. Not Getting Pre-qualified

Schedule a meeting with your loan officer and get pre-qualified. This important step will help you find out exactly what dollar amount you qualify for, and give you an idea of what you can afford. Keep in mind that you might need money for a down-payment as well as closing costs. Find out if you qualify for a loan program with low or no down-payment. Also, talk to your realtor about the possibility of asking the seller to pay for your closing cost.

4. Not Having a Time Frame in Mind

Before you buy, ask yourself how long you want to live in the house you are about to purchase. Reselling a house is not an overnight thing, and there are costs involved. Attempting to sell shortly after you bought might prove difficult. Next, there is also the question of how long will the home meet your needs. If you don't feel comfortable with a three to five year time frame, you might want to reconsider.

5. Not Thinking About the Ongoing Cost of Home Ownership

This part is overlooked by many. Don't forget maintenance, improvements, taxes, insurance, and homeowners association fees are all costs in addition to your monthly mortgage payment.

6. Not Thinking About the Resale

Sooner or later you will be selling your home. Be sure to buy what is going to be desired by others when it comes time to sell. The more buyers you can cater to, the more chances you have of selling faster and at a higher price.

7. Not Getting a Home Inspection

Home buyers are often conflicted about whether or not to spend the money to hire a home-inspector. The responsible answer to this question is... yes, absolutely. Let me say this about cost; the price of an inspection is generally \$250.00 - \$400.00, compare this to the price of the house and I would suggest that it becomes fairly insignificant. A good home-inspector will bring everything that is wrong with the house to your attention so you can handle it accordingly. Then there is the added benefit of being able to use the inspection report to get back to the negotiating table. I have literally saved buyers thousands of dollars in lowered purchase prices using a detailed inspection report.

8. Not Allowing Enough Time

People will often try to time their home purchase with the expiration of their current lease. Be sure to avoid having to move in with your mother-in-law... buying a house can be challenging enough.

9. Not Keeping Up Your Momentum

Ready, get set... GO! Market conditions are dynamic, good houses sell fast, loan programs change. Once you have all your ducks in order, get out there and put in offers. You might have to submit many offers before getting accepted. Don't get discouraged and keep up your momentum.

10. Not Willing to Walk

If for some reason things are not working out, be willing to walk. This might be difficult, but if it does not feel right - walk... the next deal will be better.

11. Not Knowing What You Sign

Before you sign, ensure that all documentation clearly reflects your understanding of the transaction. Is everything in place? Is there something you don't want? Don't rush. You could lose money, financing, or even the deal.

12. Losing Your Excitement

I want to alert you to what I personally believe is the most critical part of this process - have fun! Buying your new home can be daunting and overwhelming; as a result it is very easy to get stressed out with everything you are faced with. Keep in mind that this is an exciting time.... don't lose your joy!

Good luck!

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Dimitri Larno got his start as a Realtor® by investing in real estate himself. He brings almost 12 years of real estate investing experience to the table. Dimitri's specialties include primary residences, second homes, investment properties, commercial properties and land. Dimitri has been recognized for being a Multi-million Dollar Producer, and is an accomplished investment Realtor®.

"Strive not to be a success but rather to be of value" Albert Einstein