



# MARCH 2010

## 7 Mistakes Buyers Make and How to Avoid Them!

The rules of real estate have changed over the past five years. On the one hand, affordability is hovering at all-time high levels, interest rates remain low and there is a large number of homes to choose from. The bad news? Lending practices are tighter and creative financing is, well, a little less creative due to strict regulations. Still, buyer power for those looking to purchase a home is incredible, and there are some great opportunities in this market. If you're looking to get into a home soon, be sure you know the mistakes buyers make and how to avoid them. Here are the top seven.

1

**Holding onto your home.** Before you begin the home search process, sell the one you're in. Chances are it's going to take longer than you expect to find a buyer because of stricter lending practices and current market conditions. The last thing you want is the added financial responsibility of carrying a second mortgage while you try to sell your home.

2

**Not addressing your credit score.** Stand around the real estate water cooler and you'll hear one thing: Credit markets and lending practices are tighter than ever. This means you must have an excellent credit score to secure financing at a low interest rate. You're allowed to pull your credit score at no cost to you. Request yours, and then take the necessary steps to fix any lingering issues that could affect your ability to secure financing.

3

**Skipping the pre qualification and pre approval processes.** One of the biggest mistakes buyers make is not knowing how much they can afford. By getting pre qualified AND pre approved you walk into the home search process knowing the exact amount of money you can spend. This narrows your search, lessening the time it takes to find a home that fits your individual needs. That also gives you more time to spend in the homes that could potentially be yours down the road. Pre approval also gives you big buying power during the negotiating process since sellers can't reject your offer based on unavailable financing. The bottom line: Once you have your credit in check talk to your trusted lender to get pre qualified AND pre approved.

4

**Not knowing when to stay and when to walk away.** It's worth repeating: buyers have more power than ever during the negotiating process. Don't be afraid to make a low offer on the home. But don't make the mistake of walking away because of a few thousand dollars. Think about it this way: a few thousand dollars could translate to less than \$100 a month on your mortgage.

5

**Not knowing the total costs involved.**

Some buyers, especially first-timers, aren't entirely aware of the costs associated with buying a home. These include: closing costs, title insurance and lawyer fees as well as ongoing costs such as property taxes, homeowners association dues, utilities and yard maintenance. When you first begin shopping for a home, always ask your real estate agent and mortgage representative to provide you with an average amount of additional closing costs so that you can work them into your budget.

6

**Signing contracts with contingencies.**

This is a critical mistake that could end up costing you big bucks. For example, avoid signing any contracts that allow the seller to stay in the home for an extended period of time. Why? Depending on how long they stay, you run the risk of losing your interest rate. Or worse, the deal falls through the cracks and you're back at square one: more listings. Bottom line: have your real estate agent review the contract and explain any and all contingencies so that you understand what you're getting into.

7

**Not purchasing a home protection plan.**

You never what problems will arise once you purchase the home. Not protecting is a mistake and extremely costly when the problems are big. Be sure to purchase a home protection plan. This is essentially a mini insurance policy that usually lasts one year from the date of sale. It typically covers basic repairs you may encounter and can be purchased for a nominal fee. Talk to your agent to help you find the protection plan you need.

**The best way to avoid any and all of these big buyer mistakes, is to work with a professional real estate agent. If you're looking to buy in the near future, give me a call. I'll walk you through every step of the home buying process so you have the most positive buying experience possible.**



This month most Americans celebrate Saint Patrick's Day on March 17th. Wearing green garbs, attending parades, picking shamrocks and sipping pale ales are all part of the traditional celebration.

But did you know ...

**34.5 million** ... is the number of U.S. residents who claim Irish ancestry. This number is almost nine times the population of Ireland itself (4.1 million). Irish is the nation's second most frequently reported ancestry, trailing only those of German ancestry.

**348,978** ... is the number of Middlesex County, Mass., residents who are of Irish ancestry. Among the 54 counties where Irish is the largest observed ancestry group, Middlesex had the highest population of Irish-Americans, with Norfolk County, Mass., second, with 203,285.

**25,870** ... is the number of U.S. residents who speak Irish Gaelic at home.

**128,000** ... is the number of U.S. residents born in Ireland

**21.6** ... is the number of gallons of beer consumed per capita by Americans annually in 2003. On St. Patrick's Day, you may be able to order green-dyed beer at one of the nation's 48,050 drinking places, some of which may be Irish pubs.

**8 million** ... is the number of St. Patrick's Day cards Americans exchanged last year, making this observance the ninth-largest card-sending occasion in the United States. (Source: Hallmark research.)

**93.3 million** ... is the number of people who reportedly planned to wear green last St. Patrick's Day.



If you are currently working with another Broker please do not consider this a solicitation..

