

The Buying Game: How to Avoid Nine Costly and Common Home Buying Mistakes

Let's face it, buying a home is a major expense. But why make it more expensive than necessary? Plan the buying game right and you can cut costs *and* buy the house that's best for you. Watch out for these nine common, but costly, pitfalls.

1. The Wrong House

One costly mistake is choosing the wrong house: maybe one too big or too small for future needs, or a fixer-upper if you're not handy, a house too far from work or too close to traffic, one likely to need extensive fixing up, or a home in the wrong price range. Avoid this trap by working with me to define your present and future needs, what location is most suitable, what level of fixing-up is comfortable, and how much you can afford for maintenance, utilities and everyday life after moving in.

2. Bidding Blind

Some buyers offer a contract above the true market value of the property or fail to bid on a great value because they don't know the market. Don't try to go it alone. Ask me for a comparative market analysis to avoid overpaying or underbidding on the home you choose.

3. Title Trouble Traps

A title search may reveal encumbrances on the property title like tax liens, easements, leases or an undisclosed co-owner. Avoid this trap by having the title search done early, if possible, and by buying owner's title insurance to protect your investment in case a problem surfaces later.

4. Survey Surprises

The property survey may show the lot boundaries are different from the property plan, a neighbor's fence is over the line, or zoning regulations have been violated. Avoid this by asking to see the seller's survey made when the seller bought the house, and go over any additions or variations with your Realtor.

5. Last-Minute Defects

During the pre-settlement final walk through, some defects may become apparent that were not noticed before. Avoid surprises by first doing a careful inspection of the house, then consider an independent home inspector to check the house inside and out. The inspector will report to you any items

needing attention, the cost to fix them and the repercussions if they are left as is. Contract settlement should be contingent upon the inspector's report.

6. Pre-Paid Shockers

Some items—such as real estate taxes and homeowner association dues—get pro-rated at settlement, while others—including insurance and taxes—have to be paid ahead a few months. Avoid inaccuracies by asking for these figures a day or two in advance, and check the charges. Remember, if the closing date changes, so do some of these pre-paid costs.

7. Seller Slip-Ups

Repairs not made, items that fail to convey, or other contractual hang-ups can delay settlement. To avoid these traps, take the list of agreed-upon items to walk-through and check them off. But be prepared to set a dollar amount for a closing fund for items that fall through the cracks.

8. Hidden Junk Fees

Some lenders add questionable charges at closing that were not shown on the lending form, such as an “underwriting fee,” “courier fees,” or mark-ups on court registration fees. Avoid these fees by asking the lender at application time exactly what fees are included on all forms and what additional fees may be charged at closing. Some of these fees can be negotiated down or waived for the customer who complains.

9. Closing Rush

Insist on seeing the lending documentation days before closing. That way, you'll avoid last minute problems—such as an interest rate or points other than you agreed to showing up on the paperwork.

Sometimes missing the settlement date because of an eleventh-hour snag endangers the locked-in interest rate or the entire sale. Don't get trapped by trying to work things out too-close to closing. Get at least a 60-day lock-in for your loan interest rate, if possible, and give yourself that much time to close the sale.

How We Can Help

Relax. You *can* win at the home buying game. If you have not picked a Realtor to work with yet, I would be happy to earn your business.

We are here to make sure you succeed and avoid the nine deadly sins when buying a home. After all, our business depends on referrals from happy homeowners who received service beyond their expectations.