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# 6 Mistakes Home Buyers Make

## **Mistake #1. Not Getting Pre-Qualified for a Mortgage**

Before looking for your next home take the time to get pre-qualified by the bank or mortgage broker you choose. This can save you hours of searching for homes in the wrong price range or worse, purchasing a home and then finding out you don't qualify for financing. Pre-qualifying gives you peace of mind, helps narrow your search criteria and most importantly, gives your RE/MAX agent a negotiating edge by being able to alleviate the sellers concern over financing. The latter is especially important should a competing offer surface.

## **Mistake #2. Not Shopping For Mortgage Terms**

Rates are negotiable! Banks will sharpen their pencils to get your business especially if you have a good credit rating and bring other business to them e.g. RRSP's, general account, savings etc. Posted rates should be viewed as a starting point. You need to know what the best rate is and this is usually done by getting competitive quotes. Also, ask whether the bank will cover appraisal fees, and about buy-out fees, penalties, payment options, portability etc. The time spent can save you thousands of dollars over the life of the mortgage.

## **Mistake #3. Not Getting Professional Inspections**

Nobody wants to purchase a home only to find out later there are defects, latent or otherwise. Ensure you obtain inspections where needed e.g. home inspection, structural engineer, insect, radon etc. If the inspection identifies deficiencies you may be able to negotiate the purchase price to cover required repairs or make your satisfaction of the inspection subject to the homeowner remedying the problem. Your RE/MAX agent can advise you on inspections you should consider.

**Mistake #4. Not Using A Professional Real Estate Agent.**

Your RE/MAX agent can help you make a purchase with the least amount of problems. He or she can ensure the price you pay is market value. They can offer expert advice on what to look for, conditions to include, negotiation strategy etc. After all, they work for you.

**Mistake #5. Buying First Before Selling**

If price is important you should always sell your present home before buying another. It has the advantage in letting you know exactly how much money you will have available for your next purchase. Selling your home first allows you to place fewer conditions on your purchase which makes your offer more attractive to a seller. They often will demand more money to take a "subject to" offer which takes their home off the market. The other advantage is if you find a terrific house, chances are others will also find it attractive and you stand to lose it if you can't make an unconditional offer.

**Mistake #6. Not Knowing The Full Cost Of Home Buying**

Know all the costs associated with your purchase. Consider the following costs: legal fees, transfer tax, property taxes, new home landscaping, fencing, appliances, window coverings.