



BUY FIRST THEN SELL OR VICE VERSA

You own a house now, but you want to move to a bigger place or a different neighborhood. Should you sell your current home before you buy your next, or should you buy first, then sell your existing one? Though this is a very common question, there is no "right" answer. The answer depends on a number of things.



Buying a Home First

Human nature being what it is, once the decision to move is made, people usually put a great deal of effort into finding that perfect home - sometimes without giving much thought to selling their current one. If, for a fleeting moment, they do consider whether to sell first, they figure they won't have trouble finding someone eager to buy their charming home, so they once again focus on buying. Then, once their offer on a house has been accepted, their attention shifts to selling their current home. At this point, however, they may begin feeling that the clock is ticking because usually they need to sell before they can remove the First Refusal Conditions (a condition allowing for the Buyer to sell their home first) in their Agreement of Purchase and Sale. During this conditional time period, the home they so dearly love is still being offered for sale and if another buyer comes along they may lose their option on their dream home, unless of course they are able to afford two homes at the same time. Fearing that time is running out may sometimes become overwhelming.

Selling Your Home First

Advantage: Selling your existing home before buying another has its advantages. By selling first you know how much money you'll be getting on closing, which helps you establish a price range for the new home. Also, if you've already sold you don't have to make your offer conditional on selling your existing home.

Disadvantage: The down-side is that you may not be able to find a satisfactory replacement before the closing on your current home, which means you may need to find someplace to live temporarily. Or, you may be tempted to settle for something that isn't quite what you want.

Your Comfort Level

The bottom line is that whether you buy first or sell first is a personal decision. There are a number of factors that might influence your decision, but there is no right or wrong decision. And, you can always hedge your bet by making the offer with a condition providing for "Selling Your Home First". If you decide to make such an offer, consider getting legal advice to ensure it's phrased properly. As well, if someone makes a conditional offer to buy your home, it's a good idea to obtain legal advice so that you understand what you're getting into and how you might best protect your interests.

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