

9 Mistakes **Every Buyer** Should **AVOID** When Buying a Home



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GROUP

The idea of buying a new home can feel completely overwhelming. We're totally with you on that!

We know you're excited about the possibility of living in a new home that's perfect for your family, but you've got unanswered questions and you're worried that you may make mistakes throughout the process that could cost you your ideal home.

Can we really afford this home? Are we getting the best loan for our situation? Should we use an agent? How much should we offer? Which inspections should we do? ...

It's easy to experience 'paralysis by analysis' at this early stage, but you don't have to undergo unnecessary stress or risk losing the home of your dreams by making the same common mistakes as other buyers.

With the information in this guide, you'll be confident that you're ready to begin the buying process and fully prepared to make great offers so you can secure the perfect home for your family.

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1

Not getting pre-APPROVED first.

This may seem like an obvious first step, but it's critical to secure on day 1. Doing so will help you avoid the stress & disappointment of missing out on the perfect home because you weren't fully prepared to submit a competitive offer when the time comes.

We understand it's exciting to start looking at homes in person once you've made the decision to buy a new home. But don't let your excitement distract you from securing your pre-approval before you venture out.

As part of a full pre-APPROVAL, your lender will do a thorough review of your financial situation and advise you on the various loan options available to you, and the costs associated with those options.

And don't settle for a subpar pre-QUALIFICATION, take the time to do a full pre-approval and ensure that your lender has reviewed your docs and can commit to approving you for your loan.

Buying above your means.

Knowing the max loan amount you can borrow is one thing... spending it all is a totally different conversation. We see far too many buyers who get pre-approved for their loan and then look to spend the max amount just because they can. Don't make this same mistake.

It's important to consider the total cost of ownership when determining how much you should spend on a new home - taxes, insurance, utilities, maintenance & repairs, future upgrades, etc all come into play when determining exactly how much a home will cost you to own it.

It's also important to consider your overall life plan and ensure that you won't become 'house-poor' and end up giving up other things like travel or recreational activities that you enjoy just to pay for your new home.

Take the time to make a real budget of your annual expenses and then determine what you have left to comfortably spend on everything that goes into owning & maintaining your home.

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Choosing the wrong lender.

Many home buyers think all lenders are created equal. Let's squash that misconception & ensure you don't cost yourself thousands of dollars in closing fees and interest payments, or any unnecessary headaches & stress.

Choosing the right lender isn't always the easiest task when there are so many options available. We suggest getting recommendations from your trusted real estate agent who has experience working with many local lenders & can help you choose one that will work best with you.

Another common mistake a buyer makes is to choose the lender that promises the lowest interest rate, without considering all the other fees required to close the loan. The best lender for you may not have the lowest interest rate, but they will show you the true overall cost to obtain your mortgage which can save you thousands in the end.

They'll also be there for you throughout the transaction to ensure you have a smooth process and can help you tackle any hurdles that may arise.

Not using a real estate agent.

We may be slightly biased about this common mistake 😊, but having a great real estate agent looking out for you is one of the best resources to have at your disposal when buying a home.

There is so much to consider when successfully navigating a real estate transaction from start to finish. And regardless of how easy HGTV makes it look, it's not as simple as 'look at 3 houses, choose your favorite, close 30 mins later.'

Professional real estate agents can give you advice & guidance on all areas of the transaction - mortgages, touring homes, writing offers, inspections, negotiating repairs, coordinating closing, etc. A great agent will also help you identify and plan for the unknown in advance.

And don't forget that using your own agent typically doesn't cost you anything out-of-pocket because their fee is paid out of the seller's proceeds at closing. Bottom line... find & use a real estate agent you can trust so you can avoid unnecessary mistakes that may cost you dearly.

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Getting caught up in the 'cosmetic'.

The granite counters, new cabinets & appliances, tile backsplash... it all looks fantastic & you're excited about finally getting the new kitchen you've always dreamed of. But, don't get too caught up in these cosmetic finishes and overlook the underlying systems and structure.

When you find a great looking home, take time to look past the cosmetic finishes that initially jump out at you (like a fancy new kitchen) and pay attention to things like the age & condition of the: roof, HVAC system, plumbing, electrical, windows, crawlspace/basement, lay of the lot, etc.

It's common for sellers to make impressive updates to the 'flashy' items in a home and yet not touch any of the critical systems or structural items that are hidden from plain sight like plumbing & electric, HVAC systems, or moisture issues in a crawlspace/basement.

It's ok to get excited when you find the cosmetic updates you've always wanted, but don't get distracted and cost yourself thousands in upgrades and repairs later.

Skipping inspections to save money.

There aren't many better ways to protect yourself when buying a home than to hire qualified inspectors to thoroughly evaluate the property. And skipping inspections in hopes of saving a few hundred dollars is a surefire way to end up costing yourself thousands later.

Once you get an accepted offer in place with the sellers, your due diligence period is the time for you to really learn about the property - both inside and out - so you can make an informed decision about the true condition of the property before closing.

Skipping the inspections during this period in order to save money could ultimately lead you to close on a property that has major issues that you could have negotiated repairs on with the sellers.

Our advice is to order every inspection you can afford. If you can't afford to inspect the property thoroughly then it may be time to reconsider whether buying a home now is in your best interests.





Passing on great homes early in the process.

Imagine what it would feel like knowing you passed on the chance to buy your perfect home simply because you were early in the process & wanted to consider all the options.

In our experience, there are few things more troubling to a buyer than knowing they passed on a great property early in the process to later realize that it was the perfect home and you now they can't buy it.

If you've done your research in advance, and truly have a clear picture of what your ideal home looks like, then you should be confident in making an offer on a home that checks all of your wants and needs, regardless of how long you've been looking.

It's understandable to want to do your research & explore all your options, but avoid the trap of thinking something better will come along later because there are no guarantees & it could cost you your dream home.

Making 'lowball' offers.

Quality real estate negotiations are a delicate ebb and flow between the buyer and seller, and one way to start a negotiation off on the wrong foot is to make a 'lowball' offer right out of the gates.

It's important to thoroughly understand whether you're buying in a buyer's or seller's market before making offers.

There are times (in a buyer's market) where you can afford to be more aggressive with your initial offer, but making an overly aggressive (aka a 'lowball') offer in a hot seller's is almost certain to cause the seller an unfavorable reaction, and this can ruin your chances at successfully negotiating a deal.

Sellers really want to work with buyers in a favorable way to accomplish the mutual goal of closing a deal, so it's critical to start off negotiations in a positive way. Making unjustified lowball offers is one of the best ways to start off in a negative way, so skip the lowball offer and you'll give yourself a better chance at securing your ideal home.





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Assuming a home's price is negotiable.

One of the biggest mistakes buyers make is assuming every seller priced their property with room to negotiate.

In reality, there are multiple pricing strategies that can be used when determining a property's asking price, and knowing all of them will help you have a better chance at securing the ideal property when you find it.

You're likely familiar with the 'old-school' strategy of pricing higher than fair market value & negotiating down. It's been around for years and it is a common strategy.

But don't overlook the other common pricing strategies used in today's market such as pricing it right at fair market value or even underpricing it relative to fair market value in order to generate more interest and competition amongst buyers.

Do your research before making offers and you'll make the right decision on how to approach the pricing piece of your offer when you do find the perfect property.

Life's too **valuable** to be stressed out over living in the **wrong** home.

At the **EPiC LIFE GROUP**, our experienced agents help **ELIMINATE STRESS** while guiding you through the process of buying a home you'll actually **LOVE**.



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