



“How to Avoid the Seven Mistakes Most Homebuyers Make”

1. **Never use the Seller's agent to represent your interests.** Seller's agents (listing agents) are contractually, ethically and morally obligated to represent the best interests of the seller, not the buyer. In a large, complex transaction like a home purchase, you should have representation that does not even have a chance of being compromised by any conflict of interest. An exclusive buyer's agent (one who never takes listings) is the only way to ensure uncompromised representation of your interests alone. In the final analysis, trust is the key issue. You should do everything in your power to avoid doing business with someone you do not or cannot (by virtue of who they are contractually obligated to represent) trust completely to represent your best interests.
2. **Almost for the exact same reasoning, if you are ‘trading-up,’ avoid having a the same agency represent you as a seller than as a buyer** – While on the face of it, it would seem like a most convenient way to handle a ‘trade-up’ transaction, it poses the potential for a conflict of interest between the property you’re trying to sell and the one you’re trying to buy. Unless you’re able to buy before you sell, your listing agent for the sale of your property knows they must help you ‘dispose’ of the house you’re selling before the buy (at a higher price, usually, and therefore greater commission) can be accomplished. It’s best to consider looking for a listing specialist to help you sell your property and a specialist in representing buyers to help you find just the right replacement property. **Before you plan to sell, thoroughly explore the market as a prospective buyer** – In a seller’s market, it will be harder to line up and obtain a contract on a desirable replacement property. This begs for a thorough assessment of the marketplace, best accomplished even before you list your property for sale. In this pursuit, you must have access to all listings and also an agent accessible to you to be ready to show, evaluate and, if needed, quickly write and be ready to present in person, your offer for the property of your dreams.
3. **Avoid properties with limited appeal.** Beyond the obvious near-term reasons, they will be harder to sell when that time comes. It is always a good practice, when buying a property, to think about who will buy that property from you. You may not mind living on a busier street, but most buyers prefer a quieter setting. If a home appeals to a narrower market, the demand for it will be lower and the time to market it will often be longer. In a seller's market most properties will sell and relatively quickly. In a balanced market or a buyer's market, less appealing properties may require deep discounts and/or long marketing periods to sell.
4. **Avoid being swayed by cosmetics.** Put the greatest weight on characteristics you cannot change – location being the foremost. Smart sellers will freshen their paint,



clean up the flowerbeds and make other cosmetic improvements to enhance the curb appeal of their property to potential buyers. These kinds of improvements are usually inexpensive, but they can have a powerful appeal, especially on an emotional level. Try to look beyond what can be easily and inexpensively changed. Location is obviously the aspect that is least changeable. Floor plans are often changeable, but at significant expense. Updating kitchens and bathrooms can also carry a moderately high price tag, but these improvements are ones you can enjoy for the entire time you live in the home.

5. **Avoid having a short-term perspective.** Buying a home with the anticipation of selling in a year or two can be risky. Real estate transaction costs are relatively high to both buy and sell a home. Markets change, although the long-term trend has been upward. Buy a home that will satisfy your needs for longer than a year or two. If the market turns down, you won't be stuck with the wrong house and unable to sell, or have to sell for the price (or even less than) you paid. This thought may seem almost absurd in the present market, but all markets are cyclical, including the real estate market. There have been times in the past when prices did not increase, and even decreased, and that is very likely to happen again.
6. **Avoid letting your emotions go unchecked.** Good decisions are hard to make when emotions overrule reason. Clearly this is easier said than done. A certain level of emotional interest must be present to want to buy a particular home and work long hours on your job to make the mortgage payment each month. When the market is as competitive as it currently is for buyers, buying a home can be more frustrating than normal. If you recognize the normal frustrations that can come into play, you will be better prepared to respond in a positive way.
7. **Avoid being lackadaisical about performing thorough property inspections.** When the market gets as competitive for buyers as it has become, there may be a tendency to want to overlook prudent investigation prior to buying. It's difficult to see how that can ever be a smart move. A home purchase is a major financial commitment. Seller's who are confident of the condition of their property should not object to a buyer wanting to have a reasonable period to have experts inspect the home. If a seller objects to this reasonable request, it may be a red flag indicating there may be problems the seller either knows about or suspects.

Your For Buyers Only Realty representative would be pleased to expand upon any of the subjects contained in this report, or any other area you'd like to explore, in a no-obligation personal consultation, either on the phone or in person. Why not call Gene Berman at (707) 794-9789 (or toll-free, 866 ONLY BUY) today to make an appointment and take a major step toward ensuring a positive outcome with your next real estate investment.