



## Sell or Buy First?

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Should you buy first or sell first? This is not an easy decision. There are a number of factors to consider before deciding which is best for you.

Most people try to buy and sell simultaneously, which is the best way to go for many people - if the market cooperates. But ultimately you will probably have to decide whether to accept an offer on your home before you find a new one - or to buy a new property before your current home sells.

### **Can you carry both properties?**

If you buy a new home before your old one is sold you'll be faced with carrying two mortgage payments for an undetermined period of time. Can you handle this financially? Will you be able to fund the down payment on your new home without the sale proceeds from the old one? If your income is sufficient to carry the payments, a bridge loan may help you get through this period.

### **Are you willing to rent or live with relatives?**

If you accept an offer for your home before you've bought a new one you may have to move into a short-term rental until you find something to purchase, or move in with a relative. Are you prepared to move twice, with all the hassle?

### **Contingent contracts**

The ideal situation is to make the first contract contingent upon the other. For example, you agree to purchase a home but not to close until you've sold yours. Unfortunately, few sellers will agree to this kind of condition (and few buyers will agree to wait until you find a new property). You may be able to negotiate the right to stretch out the closing date by a reasonable period, however. This gives you more time to try to match up the closing dates.

### **Buying new construction**

Purchasing a home that is under construction (or not yet started) gives you considerable time to sell your existing property. Don't forget, however, that you are committed to close on the new house when it is completed. Make sure you are able to do so even if you do not sell your present home - or if you have to slash the price to do so.

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Source: Margaret Woda and The GoHome Networks, Inc.  
Metropolitan Regional Information Systems, Inc. (MRIS)

