

TRADE-UP: **SIX INSIDE STRATEGIES TO AVOID TRADE-UP MISTAKES**

SECRETS TO MAKE YOUR LOCAL MOVE A SUCCESS

Making a local move? Usually that means selling one home and buying another.

Keep in mind, Murphy's Law is alive and well. If something can go wrong, it probably will unless you know the secret to a successful move.

The secret to making it all come together in today's market is coordination. You need to know what comes first, second, third. And you need to know how to proceed if the reality of selling and buying doesn't quite follow your planned sequence.

Here are six inside tricks of the trade to help you juggle all the pieces of a local move:

1. Get all the facts early:

We can help you gather the critical information you need. Call us first, when you are just beginning to think about making a local move. We'll determine how much house your money will buy in today's market so you can move up comfortably. We can even scout the market together for a selection of homes in your chosen price range to see what is available. We'll make a list of your likely home needs for the next few years so you are sure to buy a home that meets your needs. Don't look for a house so big that it causes cash flow problems, or so small you outgrow it in a year or two.

2. Make a game plan:

Together we'll plot the sequence of selling and buying events that lead up to the move. We'll also work up an aggressive marketing plan to sell your present home quickly for the best possible price. You should begin fixing up and making pre-sale improvements, and have the work completed before we put your house on the market. If cash is short, look into an equity loan that's repaid at closing.

3. Sell first:

In most cases, it's better to sell your present home before signing a contract to buy. Then you are not pressured to accept a below-market offer just to meet a purchase deadline. (Plus, you can buy with no strings attached.) When you do get a tempting offer, you may consider putting a contingency clause in the sale contract that gives you a reasonable time to find a home to buy. If the selling market experiences a slowdown, you may consider renting your home and selling it later, especially if you are selling a smaller, starter home. Be sure to find out about tax rules if you choose this rental route.

4. Keep a lookout:

While your present home is on the market, we'll help you shop for a lender and get pre-approved for financing so you have more bargaining power when you bid on a house. (Sellers love qualified buyers.) Then shop for suitable homes and be prepared to select your next home quickly once your present home sells.

5. Be flexible:

Things may not go exactly according to plan, so be ready to make changes as needed. If you don't find the right home in the first neighbourhood you look at, look in a second community, for example. Consider moving sooner than your original time line or later.

If you buy before you sell, you may need to take out a "bridge" or "swing loan" against the equity in your old house to cover the downpayment and closing costs for your new one. Or you may need to take short-term tenants to cover expenses until you sell.

If you sell before you buy, sometimes you can rent back the property for a few days or weeks if closing on the new home is delayed.

6. Coordinate closings:

With two transactions, the chance of miscommunication goes up exponentially. There may be 15 to 30 entities involved in the transactions – appraisers, loan officers, underwriters, attorneys, closing officers, title companies, pest inspectors, home inspectors, etc. The transactions may be further complicated if 3, 4 or 5 families are stacked up like dominoes so that a hitch with one transaction affects all their plans.

The fewer people involved in coordinating your closings, the more efficient the process. Experience shows our clients enjoy the smoothest local moves when we work on both their sale and purchase.

We'll help you get ready for both closings by coordinating all the details for your sale and your purchase. Ideally we'll help you move directly from the old house to the new one. We'll keep you informed at every step like when the appraiser comes to each house, how your loan processing is progressing, etc.

Together we'll do our best to help synchronize your move. Call on us!

INSIDER BONUS STRATEGY #7

7. Check out short-term housing solutions:

Some moves are harder to coordinate than others: Sometimes buyers make a great offer so they can move in sooner than the sellers plan, or sometimes the sellers are buying a home under construction that is delayed beyond the original move-in date. If these situations arise, you'll want to investigate money-saving options. Sellers often resort to making an interim, or temporary move.

If you have to move out before your new home is ready, try to rent a furnished apartment, house or extended-stay hotel, and put all but the barest necessities into "transit" storage. This saves the hassle and expense of moving twice.

Ask the moving company to place your goods into a container for storage and eventual delivery. You'll save on labour costs and reduce wear and tear on furniture. Or consider moving yourself and using a self-storage rental unit in the interim.

If you don't have to move out, but need to proceed with closing because of loan commitment deadlines, you may be able to rent your home back from the buyer until your new home is ready.

The Home Selling Team of RE/MAX Michael Cowling And Associates Realty welcomes the opportunity to share information with you. If we can help you with any real estate information or service, call us at 604-276-2335, or email us at mc@michaelcowling.com