

Buyer's Mistakes

1) – Not Being Pre-Qualified For Financing Before Looking

When you start to look, it is important that you know how much you can comfortably spend on a home. Getting pre-qualified for financing will lock down your price range and help prevent you from being turned down after falling in love with a home. It will also save you the strain of having to find a lender within a few days of conditionally buying a home. In times of fluctuating interest rates it would benefit you to lock in a lower rate. This could save you thousands of dollars if the rate increases while you are in the process of buying.

2) - Failing To Seek Out The Services Of An Experienced Real Estate Agent

Many Buyers are unaware of the fact that in almost every case they are not responsible for paying the agent's fees; the agent is being paid a commission from the seller. It is always best to seek out an experienced real estate agent that can use their information regarding recently listed and sold properties to get you the lowest price possible.

3) - Failing To Know Research The Market Before Making Your Offer

Have your agent prepare all the area sales and comparables in your area and get a copy to look over before you make your offer. This will help ensure that you do not overpay what the home is really worth. In most cases, this is the same type of information that the seller saw when setting the price of their home.

4) - Not Being Informed Of Your Rights & Obligations During Your Offer To Purchase

It is of the utmost importance to be aware of your rights and what to expect from a competent real estate agent. A small mistake in a condition or clause could end up costing you time and money, or in some cases even void your contract.

5) – Not Understanding The Common Negotiating Methods Used At Offer Time

Some buyers have been told that the best way to get a good price is to low-ball the seller from the start in hopes that the seller will drop their price down fast in their counter offer. In reality this often does nothing more than upset the seller and will probably end up ruining the chance at an acceptable offer to both of the parties involved. Have good communication with your agent, and they will be able to inform you on the many proper ways to negotiate a deal and still get you the lowest price.

6) - Failing To Use Home Inspection Company

Buying your home often times the most important investment and financial transaction that you will ever make. A home inspection can save you hundreds or even thousands of dollars and unexpected problems down the road. In addition to the inspection, it is often a good idea to request some type of Home Warranty to cover the electrical appliances that come with the home.

7) - Letting Your Emotions Cloud Your Judgment

Buying a home is an important and exhilarating process! It is important not to let your emotions get the best of you and cloud your judgment of whether you can really afford to make the payments comfortably, and so on. Be sure not to get so excited that you get in over your head.

Seller's Mistakes

1) Being Oblivious of Your Rights & Responsibilities

It is of the utmost importance that you stay well informed of the details of your real estate contract. Real estate contracts can often be very complex and confusing, and they are legally binding documents. It is important that you know what you are responsible for before signing the contract. Not being familiar with your contract could cost you hundreds, or even thousands of dollars on repairs and/or inspections.

2) Asking The Wrong Price For Your Property

It is critical the right price is placed on the property. Anybody selling a product obviously desires to get the most money possible for that product. Placing an excessively high price on a property often proves to be counteractive to this cause. Before you set your price you should go over all the area sales and comparables in that area. Have your agent prepare this for you and get a copy to look over yourself. A high listing price will often cause prospective buyers to anticipate more than what you have to offer, or even cause them to lose interest before they even view your property. As a result, overpriced properties have a tendency to take an unusual amount of time to sell, and they end up being sold at a lower price.

3) Only Using One Method Of Marketing/Advertising

There are many ways to market and advertise your property these days such as Open Houses, Classified Ads, Home Magazines, Real Estate Websites, Flyers, etc. Your realtor should employ a wide variety of marketing techniques. You also want to select a realtor that is going to be committed to selling your property; they should be readily available for every phone call from a perspective buyer. Most contacts are made during business hours so verify that they will be trying to sell your home during these hours.

4) Trying To Sell To Window Shoppers

It is important to be able to distinguish realistic potential buyers from mere window shoppers. Often times people who do not come through a realtor are several months away from buying, and are more interested in browsing the market than actually making a purchase. Many times they are not prepared to make a purchase because they have not sold their home yet, are not financially prepared, or they may even be unsure as to whether they want to relocate or not. Typically, a real estate agent should investigate a potential buyer's credit rating, savings, and purchasing power. This will help keep you from wasting your time marketing towards the wrong people.

5) Not Preparing Your Home For Sale

The home needs to be made a presentable and as pleasant as possible when attempting to sell to prospective buyers. Be sure to make any necessary repairs and clean. A dirty home in need repairs will lower the value of your home and even turn away some buyers.

6) "Pressuring" while showing

Buying a home can be an emotional and difficult decision. So it is not normally a good idea to pressure or negotiate with prospective buyers while they are viewing your property. It is best to be hospitable and warm. Be helpful and receptive to any questions they may have.

7) Choosing The Wrong Real Estate Agent

Experienced real estate agents often cost as much as brand new agents. There is a greater probability the experienced agent may be able to fetch you a little higher price for your home, in less time with fewer hassles. It is important to take your time when selecting a real estate agent. Be sure to interview several agents. Selling your home often times the most important financial transaction that you will ever make.

8) Locking Yourself in

You should take your time when selecting a real estate agent. But sometimes it is possible to misjudge and select the wrong agent to represent you, or perhaps their first impression was good but they just have not followed through and are not meeting your expectations. In any case, you should have the right to fire your agent. Also you should have the right to choose another agent instead of just being appointed another one with out consulting you. Make sure you are in the "drivers seat" before signing a real estate contract.

Q & A

Q: Do real estate forms have to be notarized?

A: Most real estate forms must be notarized to be recorded in the land records. Examples are deeds and mortgages. Forms that will not be recorded generally do not have to be notarized, such as a lease form.

Q: What is the difference in a warranty and a quitclaim deed?

A: A warranty deed assures the buyer that the Seller will defend his title to the property from all other persons. A quitclaim deed conveys whatever title the seller owns but with no warranty against the claims of others.

Q: What is a disclosure statement?

A: A disclosure statement, as used in the real estate context, is a form the seller of property must complete and provide to the buyer disclosing to the buyer all defects and various other information about the residential property.

Q: What is a closing?

A: Although this term may mean different things in different states, the "closing" is a meeting where all of the documents are signed and money changes hands.

Q: Who is the grantee and grantor?

A: Grantee - The person to whom an interest in real property is conveyed.

Grantor - The person conveying an interest in real property.

Q: What is Truth-in-Lending?

A: A federal law that requires lenders to fully disclose, in writing, the terms and conditions of a mortgage, including the annual percentage rate (APR) and other charges.

Q: What does tenancy in common mean?

A: As opposed to joint tenancy, when there are two or more individuals on title to a piece of property, this type of ownership does not pass ownership to the others in the event of death.

Q: What is the Real Estate Settlement Procedures Act (RESPA)

A: A consumer protection law that requires lenders to give borrowers advance notice of closing costs.