

CONSIDER YOUR OPTIONS

In my last column I outlined the procedures most would follow if one were to buy without having sold first. One way is to make an offer subject to your home selling. The other was to finance the purchase and then go about selling your home.

Both those options give the peace of mind of knowing exactly where you are going. In both scenarios you know exactly how much you are going to spend on your new home. The trouble is, you don't know for sure what you will yield on the sale of your present home.

Market evaluations and appraisals are accurate to a range of value and are seldom accurate to a specific dollar. Until you have offered the home for sale on the open market you don't know for absolute certainty what quality of offers you will receive.

If you have made an offer on a home subject to your existing home selling, then you are somewhat obliged to put your place on the market at a reasonable price. But, if you are not tied to such an offer, you are able to try a higher price if you want to. Not having that purchase in progress allows you more flexibility.

On this strong market, many sellers have been fortunate enough to get an extra high price, just because they were the only home like theirs on the market on a certain day. Pricing higher might be wise, in such circumstances. Before you try that higher price, get the advice of your realtor. They can readily tell you if the competition is high or low for your type of property. Only if it is very low, should you try a price higher than the comparable home sale prices suggest.

The other benefit to selling first is that you know when your money from the sale will be available to you, as the closing and possession dates are part of your sales contract.

If you choose to sell first I suggest you negotiate a 60 day possession on your sale. That way you can shop for your new home for up to 30 days and still offer that seller 30 days to move out. Most sellers can manage that time frame.

So, it just could be that listing your home for sale first, is the best option. Especially now that the inventory of available listings is improved considerably compared to 2005. You are now more likely to find that a suitable replacement home is listed for sale, when you need it to be.

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