

IS IT THE RIGHT TIME FOR YOU TO SELL?

If you are struggling with when to put your home on the market, today's column will interest you.

Evaluating your reasons to move is where you start. Are you anticipating a change in employment or possible transfer? Is your present home too big or too small? Is your family growing? Or, are you a recent empty-nester? Are you finding your yard too big to manage or alternatively too small for your now-growing family? Is your financial situation about to change? Are you retiring and wanting to downsize so that your home better matches your pension income? Or are you getting a promotion and can finally move up to a home more suitable to your needs?

If you've decided to sell, what will you be looking for in your new place? What type of home (condo, single family, home with suite, duplex, etc.) What size of home, design and features? Which neighbourhood amenities are important to you? Is there a good enough selection of homes for sale in your chosen new area(s)?

Investigate financing rates and privileges on your new mortgage. How much will your new payments be?

Think about what expenses you will incur with this move, you will pay real estate fees, property transfer tax, legal fees (closing costs), moving truck, utility company new hookup fees, home inspection fees, fire insurance premiums, appraisal fees, survey certificate fees.

What will you have to pay for your new home? What will you be able to get for your current home?

The selling prices in your neighbourhood or comparable neighbourhoods will determine your sale price. An experienced realtor will know how to compare your home to similar homes in similar areas and come up with a reliable price range.

Be sure you don't rely on your tax assessed value and not on internet electronic evaluations either. It is way too easy to make mistakes based on this data.

Your realtor will design a marketing plan aimed at getting you the maximum exposure. Maximum exposure is the best route to maximum price.

If you have now resolved it is the right time for you to buy a different home read on . . .

Question:

On a rapid market such as the one Vernon is currently experiencing, should you buy or sell first?

Let me polish up my crystal ball!

Answer:

If you sell first, you run the risk of having sold and finding yourself facing a marketplace that has a low inventory of homes in your preferred areas and price range. More often than not you will manage to find something that pleases you, but there is some risk. I suggest that if you're going to sell before you buy, have your realtor negotiate a 60 or 90 day possession on your sale. That will increase the odds that you will have time for the right replacement home for you to come onto the marketplace.

If you buy first, at the very least you'll be at peace that you have already found the home you want. However, on this rapid market some sellers may decline offers that contain "subject to the sale of the buyers current home". If the sellers will entertain such an offer, to protect their sellers the sellers' realtors commonly recommend a time clause, also known as "a right of first refusal". This clause assures the seller that in the event the seller receives another bona fide acceptable offer then the (first) buyer shall have 24 hours (sometimes longer) to remove their conditions or their offer becomes null and void and their deposit will be returned to them. The seller then proceeds with the second offer unless the first buyer is able to remove their conditions.

If you are a buyer involved in this type of purchase contract you are well advised to see your banker as soon as your offer is accepted (or earlier). This way if you want to temporarily borrow the funds you require to purchase the replacement home, all the paperwork and approvals are in place. If the time clause is triggered you will know it's safe to remove your conditions and firm up your purchase, without worry. On most markets this is pretty risky and expensive. On our present strong market it has become much more commonplace. Borrowing the money at current, very low interest rates can make more sense than buying at a later date at a higher price. Remember, it's a rising market. Chances are very good your home will sell soon anyway, as long as you are properly priced and listed through the M.L.S. system for maximum coverage.

I should also add that if your current home has peculiar aspect to it (i.e. busy street, poor area, structural problems, moisture etc.) you'd be best advised to think twice before you borrow the money and remove your conditions. These factors may make your risk unreasonable.

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