
7 Common Mistakes Seasoned Homebuyers Make

Don't let your past homebuying experience lead you to more problems down the road.

Mistakes in the homebuying process are common, whether it's the first home you're buying or the fifth. One of the best ways to avoid taking a misstep when purchasing real estate is to understand the mistakes others have made previously, and doing so before you buy a home. With that knowledge in mind as you go through the process, you can also trust your real estate agent to do his or her best to help you have the most successful real estate transaction possible.

Here are seven common mistakes repeat homebuyers make.

1. Overcompensating for past mistakes.

One of the most common mistakes seasoned homebuyers make is overcompensating for a mistake they made the last time around. Trying too hard to avoid a mistake in one area can actually lead to other problems you may not have foreseen. For instance, you may have bought a house in a great location the first time around, only it didn't have the amount of space you wanted. In this scenario, you may be so focused on adding additional square footage that you completely ignore the importance of location and buy a big, brand-new house, far away from work, friends, family and the places you like to frequent.

By overcompensating in one area you lose sight of other areas that are of greater or equal importance, leading to other mistakes that even the most seasoned of homebuyers will make.

2. Ignoring traffic patterns.

If you plan to own a home for five to seven years, you'll want to make sure you take into consideration the expected future growth of the area – where the population growth is happening and what the city is doing to help manage traffic are particularly important. In Raleigh, North Carolina, there's a net growth of more than 70 people per day. This rapid growth is leading to a large increase in road traffic, something the city is focused on improving to go along with the expansion.

Too often people buy a home within 30 minutes of work, only to find out that it's actually an hour from work during rush hour and that commute is only becoming worse as growth continues.

3. Skipping proper planning when selling and buying.

Another common homebuyer mistake is trying to buy a home before you're ready. Folks will want to upgrade or downsize their current living space without having a proper plan to conduct both a sale and a purchase, or without the understanding that their purchasing power is reliant on the sale of their current house.

It's important to know what needs to happen in order to buy your next home before you start your new home search. If you're of the small percentage of people who are able to buy with cash, this will be much easier for you. Most homeowners need to sell their current home in order to have the funds necessary in order to buy, and this is where it becomes a bit tricky.

If your house isn't already under contract with a new buyer, don't expect the seller of your next home to accept a contingency that you sell first. The level of uncertainty surrounding your ability to sell your home is too high for your seller to take on, and they'll likely want to find someone with a more certain timeline. Builders, on the other hand, have far more flexibility when it comes

to accepting contingency contracts, so you may want to look at new construction if you're having trouble finding another home to buy.

During a seller's market, you will have far more leverage in selling your current house than you normally would, so buyers are more likely to be flexible with the closing date. If you're intending to sell your home in order to buy the next one, you can line up the timing so you can close on the sale, close on your purchase and move into your new home on the same day.

4. Being impatient.

Patience is one of the most valuable assets in purchasing real estate, especially in a strong seller's market where every competitive home is receiving multiple offers.

Too often, buyers – even the most seasoned homebuyers – will allow their emotions to play a role. Once you miss out on one or two properties, you begin to feel the pain of frustration. It may cause you to start making offers on homes outside of your criteria just to feel better about the ones you missed on. Don't do this. Be patient. *The right home for you will come on the market, it may just take a bit longer to become available than you originally hoped for.*

5. Neglecting to think about the future of the neighborhood.

One of the biggest mistakes we see buyers make is to only look at the present, instead of the future. Where is this neighborhood heading? Is there a power plant going in next door, or a major road about to come through?

You have to know where the neighborhood is heading before you buy the home. There are many factors that are out of your control which can impact your property value. Maybe the home you're thinking about buying has a great backyard that backs up to the woods. Who owns the woods and all that land behind you?

Knowing all of the potential factors that can damage your property's value ahead of time will help reduce your risk.

6. Assuming the market is the same as the last time.

Real estate markets have cycles just like the stock market. There are good times to buy and sell, and there are times when competition is going to be fierce. Simply because you've purchased a home in the past does not mean it's going to be the same real estate market. Repeat buyers in the current market are saying things like, "Oh my, this is far crazier than when I bought my last home."

When the market shifts, so does leverage. Maybe you purchased a home in 2009, your last time around, right after one of the largest real estate market crashes in history where most people had trouble selling their homes, even for far less than their intrinsic value. Fast forward to 2018 and you'll see homes are on the market for less than three days and sellers are able to solicit dozens of offers in certain instances.

The 18-year real estate cycle is real, and you'll likely experience a shift when you go to buy your next home.

7. Buying homes in different states.

One mistake buyers make is assuming that buying a home across the country is the same as making a local purchase. If you're buying a home in North Carolina, it's going to be a different experience than buying in New York or California.

There are different real estate laws between states. There are even different parties involved in

the deal – whether it's title companies or real estate attorneys, each state is different in what it requires of the various roles in a transaction.

Dates matter as well. For instance, in North Carolina, specific dates in the transaction matter, including a settlement date (that allows a 14-day buffer), where in other states across the country they may have an estimated settlement date.

Even seasoned homebuyers make mistakes. By knowing of the common missteps ahead of time, you can avoid running up against problems in your next purchase. Lean on your real estate team during the homebuying process, because they can help you spot these potential pitfalls and keep you levelheaded when your emotions may take you in a different direction.

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