

REPORT - The 9 Critical Errors Home Buyers Make...

1. Calling on "For Sale by Owners"... Why are they not using a Realtor to sell their home? Is there something wrong with the house? Would a Realtor not take the listing because the Seller wanted too much? If they can not afford to use a Realtor, then they cannot afford to sell. **Most for sale by owner's are overpriced.** Statistics show that most people who buy FSBO's pay more than if they had bought a home listed with an agent. Do they want to save the marketing fees? The seller may save, but if you pay market price you do not reap the benefits, and you will have increased aggravation and liability. **Stick with homes that are listed for sale with a Realtor.** *These sellers are serious* and you will be working with a Real Estate professional to make the transaction go smoothly.

2. Not tying into the electronic "Super Driveway"... All homes marketed by local Realtors are entered into the multiple listing system. **This sophisticated computerized database allows your Realtor to search the entire market for your specific needs.** Why drive around blindly, scribbling down addresses and agent information, waiting for 20 different agents to call you back. **Your Realtor, with the help of the multiple listing system, can show you all the homes that meet your needs no matter which Broker lists them for sale.**

3. Not working with a Realtor... Would you represent yourself in court? It is critical to enlist the assistance of a Real Estate Professional that represents you! If you call an Agent with a home for sale, they represent the seller, not you. **Research shows that working with an agent usually saves you money,** not to mention the decrease in aggravation and liability. They will be able to tell you what other homes are selling for and recommend a strategy for your purchase. **Agent fees are usually paid by the Seller,** so to a buyer, the Realtor's services are free!

4. Not having financing in place ... What can you afford? How much cash do you need to close? What are pre-pays ... escrow's ... points ...? **Sellers won't seriously look at an offer until you're pre-qualified.** Talking with a Mortgage broker ahead of time will answer all your questions and help you find the best financing programs. Your Realtor can provide you with a list of Lenders to call. **Having financing in place will allow you to act quickly should you find your dream home...** Don't let it get away!

5. Not having your home professionally inspected ... It is not just a matter of trusting the seller on the condition of the home. **Most problems that come up during an inspection are not obvious** and the seller did not know about them. Saving a nominal inspection fee could cost you thousands of dollars. Your Realtor should contract for your right to an inspection. If after your offer to purchase is accepted, a structural or mechanical problem is discovered, the Seller must make the repair or release you from the contract.



6. Not getting a professional survey ... Is like going on a blind date. What are you buying? Do you know where the property ends? Whose property is the tree on... that fence? **Being shown a previous survey is not the same as having one professionally done before you close.** Things might have changed. This mistake could be costly if your fence or even the house is on the neighbor's property or if the tree you didn't know was yours falls on the neighbor's house.

7. Not buying in the right price range... First do not become house poor. Don't spend so much on the house that you can not afford to heat or cool it or eat for that matter! Your dream house doesn't have to be this one! **Guidelines on price should be set before you start looking for a home with the advice of your Realtor and lender.** It is tempting to try for that extra feature or larger yard, but, without sticking to the guidelines you set you can quickly get you in over your head. Second, **buy as much house as you can afford** (while keeping the first premise in mind). It will keep you from having to upgrade sooner (selling, buying and moving are expensive). **Generally more expensive homes go up in value quicker.** More expensive homes also tend to be in better neighborhoods and are kept in better condition.

8. Not listening to the experts... Many buyers have a vision of what they want in a house, how much they are going to pay and the terms of their financing. Be sure to consider all your options with the advice of your Realtor and lender. You are bound to hear things you don't like but don't hold your ground on principle alone without the knowledge to back it up. **Look for Realtors who will tell you the truth even if it is not what you want to hear.** A good agent will help you to detach some of the emotion so you can make a solid business decision.

9. Not signing an exclusive buyer's agency agreement... **You have the right to contract with a Realtor for a right to have them represent you.** Hopefully your best interests are always in mind but with a buyer's agency agreement your interests are guaranteed by law. **Any serious agent will insist on having this agreement with you** to protect themselves and all the time they will spend with you. **This also protects you.** Having this commitment from you will allow your Realtor to dedicate the necessary time and resources. Without this commitment would you expect to get 100% from a Realtor? **Helping you find a home is what your Realtor does for a living.** They must put their resources into buyers that are serious and loyal and if you are getting good service, why wouldn't you want a buyer's agent?

I hope you have found this report interesting and thought provoking. Providing this kind of information and service is how I do business. I wish you well in all your Real Estate transactions and please call me if you have any questions. These issues are just of a few of the potential hazards in the Real Estate market, whomever you choose to help you, insist on a high level of service, knowledge and integrity.

This report is based on personal opinion and related published articles. This information is intended as only a guideline and readers must assume the responsibility of making their own decisions regarding the purchase or sale of real estate. This is not intended to solicit clients from other real estate agents.

Presented by: Tom Schroth Re/Max Greater Atlanta
Direct 678-431-3969 e-mail: tom@tomschroth.com

