

Tips on Whether to sell first before buying...

The age-old question for the Upgrader home buyer (Link:12) – do I sell my current home before buying new, or do I go ahead and buy first and worry about selling later? Let's explore the pros and cons...

What is your situation?

Quite often the decision to buy your next or upgrade home before you have sold your existing home is based on 'seizing opportunity', that is – you have found your dream home and you need to buy it before it becomes someone else's 'dream home'. If this is the case, then you won't have time to sell your current property and will most probably need to look at a Relocation Loan to bridge the gap between the purchase and the sale.

Or, maybe the concept of temporary accommodation while you look for a new home, or wait for your new home to be built, isn't desirable for you and your family. That's where a Relocation Loan can assist you, meaning you don't have to move twice, less disruption to your family's lifestyle!

What is your Risk Threshold?

By selling your current property before buying a new home, you can achieve a realistic budget meaning you know exactly what you can afford in a new property, so the risk is fairly low.

Depending on the suburb profile and buyer interest of your current property, there is the risk that your home will take longer than the allocated 6 months to sell, which can result in additional fees and higher interest rates. Essentially, you need to weigh up the risks and benefits before making a commitment.

What is the market doing?

The current state of the property market in your area can have an impact on your buy/sell decision. If the hype is reporting

a 'buyer's market', then it may be a good idea to sell your property first, and sort out temporary accommodation to avoid the risk of being left 'holding the baby' with a house that won't sell and two mortgages to pay off.

On the flip side, if the experts are calling it a 'seller's market', meaning that there is more certainty that you will be able to sell your property at a desired price, then the buy first arrangement makes more sense. Either way, the key is to get good advice and remain objective, make a decision based on facts and figures not just on emotions.

Are you prepared for the double move?

The major downside of selling before you buy or build new is there is generally going to be a period where you will have to obtain temporary accommodation, whether that be a short term rental or staying with friends and family. Added to this, you will have two house moves, utility connection costs, furniture storage and the feeling of being in limbo!

Pressured to sell

You have your dream home now, you've even moved in, everything is wonderful. But then there's that dark cloud still hanging around – your old house to sell. The idea was good initially, you had done the sums, but then in the rush to get rid of the second debt you accepted a lower price than you had planned. The key tip is to make sure your figures are conservative, and factor in any risk you can foresee.