

## Buy or Sell First?

When it comes to home buying, the ideal situation would be to find a new home, just as you receive an offer on your existing home. You would then be able to close concurrently and move into your new home a few days prior to closing on your previous home. This does happen more often than not, but anyone looking to buy a new home needs to consider all the possible scenarios.

Should you buy or sell first? There are many schools of thought on this subject. Ultimately, it depends on you and your situation. For instance, can you afford to pay two mortgages in the event your previous home does not sell by the time you move? Would you consider a bridge loan (a short-term, high interest loan that let you borrow against the value of your old home to covers the bills until you secure the new, larger loan)? Are you willing to move twice to find the home of your dreams if you sell first and can't find the dream home fast enough?

This is where the advice of a real estate sales professional is invaluable. Real estate sales professionals know the current market conditions. They are trained and experienced in working with home buyers and sellers to determine an ideal time to buy and sell.

It is generally less stressful to sell your home first, because you won't have to worry about owning two homes at one time. The market will dictate how long it will take your home to sell, as will your location and the time of year. As a rule of thumb, it is a good idea to put your home of the market as far in advance as



761 W. Michigan Ave.  
Jackson, MI 49201  
(517)780-3800  
[www.PPPjackson.com](http://www.PPPjackson.com)

possible when purchasing a new one. But, if interest rates are good and there is a short supply of available homes, your home will most likely sell faster. In that case, you may want to purchase a new home first.

What if your present home sells before you find a new one, putting pressure on you to find the right house for you more quickly? You may then decide to make an interim move or request to rent back your home for a specified amount of time as you continue to look for your new home. Those may be worthwhile options if you have your heart set on a specific location or type of home or if you are purchasing a home that is under construction.

If you buy a home before selling your present home, you may end up with two mortgages. Under those circumstances, you may be able to apply for a bridge loan to assist you in making two mortgage payments until you sell your first home. Your real estate sales professional can assist you in finding a lender.

So should you buy or sell first? It's the question of the ages, but your own circumstances and a knowledgeable real estate professional should be able to help you make the right decision.

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