

*You
were Asking*



E-mail your questions to
jamie@jmedwards.com
905-631-6363

UNDER-BUYING

This is a common challenge to overcome when starting your home search. Whether you are a first-time buyer, or, a move-up buyer, you'll find, you will first start with your "ideal money to spend" in mind.

For most buyers, there is a difference between the budget planned for and what that will purchase. A good starting point is to plan for what you need and then add in your 'wish' list. If you are 'moving up', that becomes easier in that, you may have one to two children already in school. You know you need the third bedroom, possibly a fourth. It's the first-time buyer who struggles, specifically, the newly wed couple.

Often, they forget to think three to five years ahead. Those next three to five years will likely bring about some dramatic lifestyle changes. Babies, day-care and schooling needs. Parks, shopping and possibly dropping the second car, meaning walking distance to groceries becomes a must.

Under-buying, then, becomes a financial issue as now, when you least expect it, you have outgrown your home too soon. If you find your Realtor trying to explain this to you, please listen and digest what she is saying.

We know, we've seen it, and, while, at the time of suggestion, a lot of buyers respond

by saying 'you're trying to get me to purchase a more expensive home so you can get more commission'. Do the math, we don't make a whole lot more in commission if you increase your purchase by \$50k. You, however, stand to lose a whole lot by forcing your hand to make your sale and re-purchase too soon.

Jamie M. Edwards, B.A., FRI, CRB, CRS is the Broker of Record for J.M. Edwards Associates Inc. and Past President of the Realtors Association of Hamilton-Burlington, Burlington Chamber of Commerce, and the Ontario Real Estate Association.