

Want to buy a home but have a property to sell? Some options for you are:

1 Buy your new home unconditionally, then sell your current home?

Advantages:

- You have the opportunity to negotiate a great buying price
- You have secured your new home, no other buyer can beat you to it

Disadvantages:

- You have uncertainty about selling your home, you may end up selling at a level below your expectations
- May need bridging finance until you have sold
- Bridging finance may not be as expensive as you may think

This option works when you have a very saleable home and reasonable price expectations

2 Buy your new home subject to selling your current home?

Advantages:

- You are not at risk financially - ie: you won't be paying interest for a bridging loan

Disadvantages:

- Sellers will expect you to pay a premium price because you are offering them a very conditional agreement
- You run the risk of losing your new dream home to a cash buyer while you are trying to sell your current home
- You may end up selling at a level below your expectations
- A vendor may not accept your offer due to the conditions

This option minimises your risk, but may end up costing you more. It works well if you are buying a home that is not in high demand

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3 Sell your current home before you buy your next home?

Advantages:

- You are not under pressure to accept a lower than expected sale price for your home
- You put yourself into a very good position to buy because you are a “cash buyer”

Disadvantages:

- You may become homeless if you haven't found your dream home before your sale settles and may end up renting for a period of time
- Your new home may cost you more than you expect

Financially, this is the best scenario to sell and buy under.

4 Sell your current home subject to buying your next home?

Advantages:

- You have security knowing that you will not become homeless if you can't find a house to buy

Disadvantages:

- It is hard to find a buyers willing to take a risk purchasing your home under this condition
- Less competitive pressure usually generates a lessor sale price
- A buyer willing to accept this condition, may expect to pay less for your home



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