

THE 7 OPTIONS

OF BUYING AND SELLING CONCURRENTLY

Regardless of who you are, buying and/or selling a home is disruptive and stressful. To do both at once takes careful planning and lots of initiative! Below, I have outlined some options that may work to your advantage; I am happy to discuss any of these in specific detail if you have questions.

1. **Sell before buying** – move twice: Put home on market and be willing to close escrow and move out (rent until you find your next home. Although this option is the most inconvenient, it is also the most profitable, because by putting no conditions on the buyer, you can often get 1-2% more in price. Plus, when you buy, you have no contingencies and can close any time; therefore, you are often able to obtain the property you want for about 1-2% less than if you had a contingency.
2. **Sell “contingent only”** – move once: Put home on market, but only accept offers that allow you to cancel if you do not find another home. In other words, we are selling your home contingent on you finding another one. Be prepared to lose many buyers that would normally show interest and to not get the highest price for your home. They would need to be willing to stick around and be in an extended escrow until you find a property to purchase.
3. **Buy new home contingent on selling current home** – move once: Do not put your home on the market until you are in escrow on your next home. The tricky part here is to get your contingent offer accepted. Its not impossible but it definitely isn't advantageous to be a contingent buyer. It may take longer to get your offer accepted and its likely you would not get your offer accepted if you were competing against other noncontingent buyers for the same property.
4. **Sell your home, arrange a “rent back”** – move once: In the terms to sell your current home, stipulate a rent back for “x” amount of days, usually 30-60 days where you would become the tenant and the buyer becomes your landlord. Two things to be aware of:
 - It could be difficult to find a buyer who is willing to let you rent back.
 - Some lenders will not allow a rent back for longer than 30 days.

This could potentially give you up to 2 to 4 months (depending on escrow and rent back timeframes) to find and close escrow on your next home. If you aren't able to find a home in this timeframe, then you could resort to renting until you do find a home to buy. With this option, you would at least be able to make a contingent offer on another home and say that your house is in escrow and scheduled to close on xyz date (as opposed to making a contingent offer without your home even being in escrow)...it looks better and is more likely to get accepted.

Long escrow – move once: Put your home on the market but only accept an offer that gives you a long, noncontingent escrow, usually 60–120 days. This is long enough for you to find and close escrow on your next home and only move once. You would still be a contingent buyer; it just gives you more time to find a home while you are in escrow. You would also need about a 1 week rent back since you would need the funds from your sale in order to close on your purchase.

Buy home “non-contingent” – move once: Buy your next home before current one is sold or even listed; make the purchase “non-contingent”. You would need to be in a position to purchase next home without proceeds from current home which would entail getting special financing to assist you in owning both properties at the same time for a short period (aka a bridge loan). I have a great bridge loan lender to refer if this is the option you choose.

Decide later as you obtain more information: A strategy involving the following steps:

Understanding the likely sale price and net proceeds of your home and being willing to list and sell at those numbers.

Seeing what is available in the price and location you want and deciding that you will be able to find a home in the next few months.

We put your home on the market with no contingencies and you evaluate the best offers as they come in.

Sometimes a high priced offer comes in and you are motivated to sell and move or maybe the buyer offers a good price and gives you plenty of time to look and buy. The point being, sometimes you don't decide your final plan until you have seen the best of what the market will bring you.

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