

Moving on Up

Should You Buy or Sell First?

Submitted by Angela Hainsworth-Brosseau



In Canada's evolving real estate markets, both buying and selling a home are very personal decisions. Add buying and selling at the same time, and the process becomes even trickier. The path up the property ladder is different for everyone and which to do first depends on your unique circumstances.



Buying and selling a home at the same time is no small endeavour and involves extensive research and a clear understanding of all the steps involved.

Here are some things to consider before making a move:

Should I sell first?

The upside of selling first is that you will know how much money you have to work with, and it's also easier to get new financing when you need it. However, if there are delays or challenges finding the right new home for you, you may incur additional rent and storage costs in the interim.

Should I buy first?

In this case, you will have time to plan your move and get your current home ready to sell. However, closing dates on both the purchase and sale may not line up and if your home doesn't sell for a while, you'll be stuck with two mortgages at once and a higher debt-to-income ratio.

Add a contract contingency.

Whether you're buying or selling, try to add a contingency to your contract that lines up the closing dates to bridge the in-between period. This isn't always possible, as it depends on the market and whether the buyer/seller is willing to agree to an extended or reduced period of time.

Know the markets.

Research prices in the areas where you're buying and selling. Does the market favour buyers or sellers? This is the best way to decide which move to make first. As a rule of thumb, you want to sell first in a buyers' market and do the contrary in one that favours sellers.

Consider rental revenue.

Research the rental market in your area and calculate the cost versus profit ratio of renting out your home to tenants, rather than selling it. It could be financially advantageous, and real estate could be a great way to diversify your investment portfolio.



Find more information and the right advice about your next purchase please contact Angela Hainsworth at 204-721-0093, your RBC Mobile Mortgage Specialist in Brandon, MB.



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doesn't come with
mortgage advice.
I do.**

**Angela Hainsworth-Brosseau,
Mortgage Specialist**

@ angela.hainsworth@rbc.com

f RBCAngelaHainsworth-Brosseau

t RBCAngelahb

204-721-0093



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