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How to Avoid Home Buyer's Remorse

From Janet Wickell, Your Guide to Home Buying / Selling.

Remorse Is a Common Feeling During Home Buying

You loved your future home when you signed the contract to purchase it, but now you're not sure if you made the right decision. What if you acted too quickly and a better house comes on the market next week? What if you paid too much for the house? What if something happens to your finances and you can't make your house payments?

There are hundreds of questions that will run through your mind during the period leading up to closing, the day you actually become owner of the home. Most of the questions will be simple ones that are easily answered, but sometimes doubts creep in, making you uncertain if you want to proceed with the purchase. Unless there's a true reason for concern, your state of mind might simply be a case of Home Buyer's Remorse.

A home is the most expensive thing most of us ever buy and we all want to be sure we've bought the "right" one. Take these steps to determine if your doubts are buyer's remorse or an indication that there's a genuine problem with the home.

Find Your Wants and Needs List

You probably developed a [wants and needs list](#) before purchasing the house. Find it and review your notes.

1. Does the home include the most important things on the list?
2. What qualities made the house you chose stand out from the others you looked at?
3. Did you find many houses that met your needs or was this one a rarity?
4. If you can back out of the contract, is it realistic to think you will find a house that's "better?"
5. What was special about the house just a few days ago and how has it changed—*really changed?*

Analyzing the facts that lead you to the home will help you sort out your feelings about the contract. Was it truly a poor choice or would you be nervous moving forward on *any* house?

Scenarios that Bring on Buyer's Remorse

Remorse sometimes kicks in after we start talking to others about the new house.

Discussions with family and friends.

They usually mean well, but it's not uncommon for family and friends to question your choice and what you paid for it, especially if it's your first home purchase and they are seasoned pros.

But do they know the market? It may have been years since they bought a property themselves, and if that's the case they probably aren't in touch with current prices. They might even live in another part of the country, in an area where housing costs a fraction of what you can expect to pay at your location. And let's face it, parents rarely think a house is "good enough" for their children.

Continuing to look at houses.

Big mistake. Stop looking at other houses unless you feel the contract has a good chance of falling apart (you're not sure the appraisal will be satisfactory, you think the home inspection might uncover serious repair issues, etc.).

Real estate agents who offer no guidance.

Some agents do not guide their buyers through the closing process. Questions and doubts pop up and the agents aren't around to provide answers and assure their buyers that what they are feeling is normal. Unanswered questions can put buyers in a panic mode, especially when it's their first home. Panic leads to doubt—and ultimately buyer's remorse.

Contact your agent and others involved in your closing whenever you have a question. It's their job to help you.

Your own doubts.

Nothing in life is certain, and we tend to think about the uncertainties even more whenever we make important commitments, dwelling on the negative what-ifs instead of looking at the positives.

When Your Concerns are Valid

There are times that purchases should be halted. The conditions of your contract should allow you to back out with no penalties if:

- You cannot get financing.
- The house does not appraise at a price at or above the contract sales price.
- The home inspections uncover more repair issues than you are willing to take on.
- The property boundary lines are not as represented by the seller.
- A title search uncovers undisclosed easements that give someone else the right to use the property.
- The title search uncovers undisclosed liens that won't be satisfied at closing.
- There are problems with the deed. For instance, the wife of a former owner never released her rights to the property.

These (and other serious problems) are all issues that must be resolved before you purchase the property.

New Time-Shares and Condos

Check state laws if you are sorry you purchased a new time-share or condo. Many states give buyers the right to cancel a contract if they have change of heart after signing a purchase contract with the original developer – the laws (usually) don't cover resale units.

Cancellation Clauses

Cancellation clauses for other purchases might be commonly used in your area – ask your agent before you sign an offer to purchase a home.

Prepare Yourself Ahead of Time

The best thing you can do is to recognize that home buyer's remorse is a common phenomenon. Understanding why buyer's remorse occurs helps you prepare for it ahead of time and work through it quickly if it occurs.

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