

# **5 Ways to Prevent Buyer's Remorse**

For 62% of us,  
"Buying a home is  
the single greatest  
financial  
investment  
of our lives"

## It's time to buy a home...

What happens when it's time to buy a home? Well, stress levels rise and your head starts to spin. This is because buying a home is taking a chance on perhaps the single largest investment of your life. In fact, AMSA states that ***relocation is the third most stressful life event<sup>1</sup>; death and divorce are the only things that out rank it.***



## Why is Buying a Home so Stressful?

- The housing marketplace is volatile
- The question remains, "Will I find what I really want?"
- There is worry that time will force you to settle for a home
- You're leaving trusted neighbors
- The area is unfamiliar
- You're not certain if the area is safe
- There is concern that you may be buying a LEMON
- The property may not maintain its value
- You're not sure if the school system is up to snuff
- It may require going to church in a different place
- You'll have to find new places to shop
- You're uncertain if the subdivision is as good as you think it is
- To make the change you have no choice but to rely on people you aren't sure you can trust: realtors, lenders, inspectors, appraisers, and more
- Buying a home has a feeling of finality – you won't be able to change your mind

There are so many variables to consider when it's time to buy a new home; when it's time to move. Many buyers may wonder, "What are the top challenges I need to overcome?"

## Challenge #1: Never-ending Choices

According to the Intermountain MLS for November 2011, there are approximately 3,264 single family homes for sale in the Treasure Valley, ID area. There are 1,647 pieces of land for sale

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<sup>1</sup> What are Some Tips for Reducing Moving Stress? ESortment, Demand Media 2011, <http://www.essortment.com/tips-reducing-moving-stress-16072.html>

and since 2008, alone, there are nearly 14,000 short sales available to purchase.<sup>2</sup> For any one family, the number of choices at any given time is close to 19,000 homes.

What should a buyer do? Should they:

- Purchase land and build a home?
- Purchase a regular re-sale home?
- Purchase a short sale or foreclosure home?

## Challenge #2: Moving Into the Unknown

Change has been proven to significantly impact stress levels. In fact, ***on the list of life's most significant stress events, 20 or more (nearly 50%) deal with change.***<sup>3</sup> "Attempting anything new is inherently risky and therefore a potential source of stress and fear."<sup>4</sup>

What are the unknowns? For buyers, the most important factors influencing the home transaction are<sup>5</sup>:

1. Location
2. Price

However, other unknowns top the list. For example, only three percent (3%) of home buyers are willing to compromise the quality of the school district; only two percent (2%) are willing to compromise the distance from the school.<sup>6</sup> Commuting to and from work is also a concern. Seventy-eight percent (78%) of home buyers actually factor in commuting costs such as<sup>7</sup>:

- Cost of gas
- Added maintenance costs for wear and tear on vehicles
- Time spent in traffic and the accompanying stress
- Paying tolls



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<sup>2</sup> Intermountain Multiple Listing Service, November 2011, <http://www.intermountainmls.com> (subscription required).

<sup>3</sup> Social Readjustment Rating Scale, Journal of Psychosomatic Research, vol. II p. 214, 1967, <http://www.teachhealth.com>

<sup>4</sup> Fear, Journal of Research on Christian Education, v. 20 (2): 113-16, May 2011.

<sup>5</sup> 2010 NAR Investment and Vacation Home Buyers Survey, NAR, March 2010.

<sup>6</sup> National Association of Realtors' "Profile of Home Buyers and Sellers", NAR, 2009, <http://www.realtor.org/prodser.nsf/products/286-45-09?opendocument>

<sup>7</sup> 7 ways to drive down your commute costs, MSN, 2010.

- Frustration and road rage

### Challenge #3: Removing Emotion from Buying

However, it might be emotion that is the source of home-buying challenges. Why? ***A home is where memories are made; memories that will last a lifetime.*** It's a sentimental investment. And for some sixty-two percent (62%) a home is the biggest investment, financial or emotional, that they will ever make<sup>8</sup>.

One emotion that causes home-buying problems is the need to “rush”. In excitement to own their own home, fifty-three percent (53%) of first-time home-buyers run out to buy; 10% of repeat buyers are also motivated by this emotion<sup>9</sup>. Others are in a hurry or forced to rush for the following reasons:

- Need a larger home (9%)
- Change in family situation (8%)
- Want to take advantage of home-buyer tax credit (8%)
- Job-related relocation or move (7%)
- Want to be closer to family, friends, and relatives (5%)

Emotion gets in the way even from the very beginning. We enter a home and become tied to certain features: “That would be a great place for the children to play!” “I can imagine having a big dinner in this dining room!” ***This emotional excitement leads many to overlook key factors that will impact their overall satisfaction in the home buying process:***

- Location
- Schools
- Commute time
- Neighborhood
- Overall financial deal



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<sup>8</sup> National Survey Finds That Falling Market Values Pose Greater Threat to Homeowners Than Fire and Natural Disasters, Business Wire, 11/7/11

<sup>9</sup> National Association of Realtors' (NAR) “2010 Profile of Home Buyers and Sellers,” 2011

## Challenge #4: Living with Buyer's Remorse

In 2009, twenty-six percent (26%) of home buyers had buyer's remorse.<sup>10</sup> In a 2010 poll, nine percent (9%) said that "yes, I have regrets about buying my current home." Twenty-three percent (23%) had unspecified regrets, twelve percent (12%) no longer liked the neighborhood location, six percent (6%) were upset because the property value had dropped, and four percent (4%) no longer liked the house.<sup>11</sup>

What is going on in the minds of those with buyer's remorse?

- I didn't know what was going on throughout the whole process
- I was rushed into buying a home I'm not happy with
- I don't know if I got a good deal or not
- I ended up doing all the work
- The agent just wanted to get a sell...He didn't care if he found my ideal home
- I'll be upside down in this house for years!



The most frustrating thing is perhaps ***the finality of buying***. Once the loan goes through, and the paperwork is signed, there is virtually no recourse for an unsatisfied buyer. They are stuck with their purchase.

What is the result of buyer's remorse? Buyers really don't know whom to trust or where to go for their real estate needs. Many feeling such remorse look to blame their agent. They are asking:

- Did my agent really work in my best interest?
- Did my agent really pay attention to what I wanted?
- Did my agent show me homes that really fit my personality?

<sup>10</sup> C.A.R. releases "Survey of Home Sellers" <http://www.car.org/tools/smart/free/casellersurvey09/>

<sup>11</sup> Poll: Few homeowners regret purchase, Bankrate, 7/12/2010

## Challenge #5: Blaming Your Agent

The trends for real estate agents today are on the decline. A recent survey showed that only 22% of buyers would use their agent again.<sup>12</sup> Also, in a recent Harris Poll, real estate agents and brokers were listed as the least prestigious job.<sup>13</sup> So why are satisfaction levels so low?

- People often go to someone they already know versus finding the best agent
- People often overlook smaller agencies where agents: have time to get to know their clients, take time to communicate, know how to provide estimations and analytics, and have both experience and knowledge; character and competency.

Many buyers fail to realize they need someone who really knows real estate backward and forward. But, it is difficult to find high levels of real estate competence. Why?

- The RE agent turnover rate is 80% in the first 24 months<sup>14</sup>
- Only 28% believe they'll be active agents between now and June 2013<sup>15</sup>
- 80% of real estate transactions are done by 20% of agents—those at the top.
- The average agent completes only 3.5 transactions per year and that is split 50/50 between the buying and listing
- Only 6% of NAR members report real estate as their first career<sup>16</sup>
- 14% of Realtors® work fewer than 20 hours per week<sup>17</sup>

With so many challenges for buyers today, the outlook for finding a real home can appear grim. However, despite the challenges, there are steps prospective buyers can take for peace and success.

## Step #1: Learn What Your Home Personality Is

Superior real estate agents have a system in place to help you identify:

- Your individual/family home personality
- Your ideal location
- Your Ideal home



<sup>12</sup> Report: Only 22% of Home Buyers are Happy with Their Agent – What That Means to You and How to Get Past it, by Mike Parker, rismedia.com

<sup>13</sup> Prestigious Occupations Harris Poll, Harris Interactive, 8/2009, www.harrisinteractive.com

<sup>14</sup> Real Estate Careers: What to Expect, Coldwell Banker, 2011

<sup>15</sup> 2011 National Association of Realtors® Member Profile, NAR, June 2011

<sup>16</sup> NAR Member Survey Shows Focus on Training, Commitment to Profession, NAR, 5/17/11

<sup>17</sup> NAR Member Survey Shows Focus on Training, Commitment to Profession, NAR, 5/17/11

## Step #2: Remove the Emotion by Doing Your Homework

1. Identify several homes that fit your home personality and ideal location
2. Thoroughly investigate potential homes with a trustworthy agent and inspector to assess:
  - a. Home structure
  - b. Home usability
  - c. Potential problems
  - d. Potential upgrades
3. Compare the value of your top choices with homes in the surrounding area
4. Talk to individuals that live within the neighborhoods and learn about the HOA requirements
5. Check out the surrounding environment:
  - a. Schools
  - b. Shopping and amenities
6. Research the crime rate of the area
7. Drive around the area to gauge if it's really where you want to live



## Step #3: Prevent Buyer's Remorse

1. Find an agent that will talk to you about what your potential home is really worth and its potential future value
2. Find an agent that will shop with you for other houses on-line and nearby neighborhoods to provide a realistic perspective and to remove emotion
3. **Find a trustworthy agent who will give you access to information so you can make the decision** rather than forcing you to rely on their judgment
4. Find an agent who will provide potential recommendations for home improvement based on comps that could increase the value of your home
5. Find an agent who knows how to help you purchase a home in a timely fashion, whether it's re-sale, new construction, short sale, or foreclosure

## Step #4: Determine Whom to Trust

The most important traits a realtor should have that secure your trust are:

### Character and Competence

Many agents have good character, but are not competent. Some are competent, but do not have good character. Here are some good questions to ask to find out if your real estate agent has **character** and is **competent**:

1. Do you have a system that allows me to know what my individual/family home personality, needs, and wants are?
2. How many deals did you close last year?
3. What type of deals were they?
4. Can you supply me with some names of people that you have worked with within the last month that are not relatives?
5. How busy are you?
6. How long have you worked in real estate?
7. How long have you worked in the Treasure Valley market?
8. Is this your part-time or full-time job?
9. How are you going to help me find a home that is well-priced?
10. Will you provide affordable and timely recommendations on home improvements that will help increase the value of my home?
11. Are you going to show me homes that are not listed with your brokerage?



## Step #5: Get Help

The **HELP Program** utilizes a system which results in delivering the greatest value and satisfaction to those seeking to buy a home. The HELP Program is centered on the four components that build **character, competence, and trust**:

1. **Intent** – Focused on your best interests, not their own
2. **Integrity** – They do exactly what they promise they will do
3. **Capability** – Have the experience, knowledge, systems and capability to do what they promise
4. **Results** – Have verifiable proof of their trustworthiness and experience

### Here's what our clients have to say:

"Thanks for sticking with us. I bet you wondered if it was ever going to happen. Thanks for your patience with the long process. We are excited to finally be back in our own home."

"We were new to the Treasure Valley and decided this was a great time to buy a home. After some research, we found Todd and his team at Eagle Rock. The home we purchased was bank owned. We ran into challenges that were not expected. Todd took each one of these issues head on and stuck with it. He is responsive, follows through, and is willing to go the extra mile to get the job done. Without hesitation, Todd will be the agent we call when we are ready to purchase our next home." ~ Joe and Rachelle

“We were referred to Todd from a trustworthy friend—and we now understand why he is so highly recommended! We relocated to the Boise area from out of state with little familiarity with the area.

Todd bent over backward to clear his schedule to show us homes all over the area on the days we were in town. He was flexible and informative, and very importantly to us, he did not pressure us into making any rushed decisions. He and his team stayed on top of all of the details all the way through the closing process. Thank you, Todd!” ~ Kenton and Jackie

To view more testimonials click here: [Testimonials](#)

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*Find out what you really want in a home!*



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