

Six mistakes home buyers make when shopping online for property or a mortgage

by Ilyce_Glink

It's so easy to shop online for just about anything these days. You can use Google Products, Yahoo or any number of other shopping search engines to find everything from recliners to shoes, airlines tickets to t-shirts. More than 85 percent of home buyers start their search for a house online as well. The only problem is that things on the Internet are not always what they seem. That's not such a big deal when it comes to a \$60 pair of shoes. But it can be quite problematic when you're talking about a house priced at \$350,000. Based on the e-mail I've received over the last couple of years, I've come up with a list of six mistakes home buyers make when shopping online for real estate and the mortgage they need to pay for it:

Mistake No. 1: The house you see online is the house you get. If you saw a house advertised on television, you'd wonder exactly what you were buying for your money. But find a house online and that skepticism goes away. Some buyers feel confident enough to make an offer for a home they've only seen online. What's that about? If I were writing the description for a property I was trying to sell, I'd make sure it sounded as fabulous as possible. The only point of writing that description would be to get a prospective buyer through the door. So when you see a photo of a house online that looks interesting, make an appointment to see the property in person. That way, you'll know what you're buying is real.

Mistake No. 2: A beautiful photo, virtual tour or video means the house is in perfect condition. There are things you can see in a photo, virtual tour or video - and then there's everything you can't see. Clearly visible is the decor. But the structural and overall physical condition of the property may not be as apparent. Don't assume that a fresh coat of paint is only covering a dingier coat of paint. Instead, when you walk through the property, keep your eye out for red flags, such as water stains, bad smells, a freshly painted basement (which could be hiding mold or moisture stains), doors that don't shut and cracks bigger than 1/8" wide.

Mistake No. 3: The neighborhood is as nice as the video tour. If a seller has created a video, or taken a series of snapshots of the exterior of the home, it's possible you'll get a feel for what the neighborhood is like. Again, don't assume that what you're seeing is real. Savvy buyers will spend time walking the streets of a neighborhood, getting to know the housing stock, local store owners, recreational opportunities and schools. There's no substitute for using a little shoe leather.

Mistake No. 4: A fabulous Web site means you're dealing with reputable professionals (agent, title company, lawyer, home inspector, etc.). It takes about \$50 and a few hours to put up a fairly impressive-looking Web site. Maybe the company behind the site is reputable - and maybe it isn't. But if you just go by the graphics and design of the Web site, without checking to see who the folks are behind the beautiful pictures, you won't know who you're dealing with. Whether you're looking for a real estate agent, title company, real estate attorney, home inspector or other player in the real estate industry, you should take the time to do your due diligence, and find out everything you can about the individual and the company he or she works for. Real estate agents, brokers, attorneys and title agents are all licensed by the state. You can start with the agency or department that licenses these professionals in your state, and then use an Internet search engine to dig up more information, such as complaints or lawsuits that have been filed against the company or individual. Don't forget to pay a visit to the professional's office. You can tell a lot about someone by where they work, and how long they've been in business.

Mistake No. 5: A written description of a property or neighborhood is accurate if you read the same thing in enough places. It doesn't matter how many times you read the same description of a property. You won't know it's real until you've been there and seen it in person. Remember, just because an agent says the condo has a "lake view" doesn't mean you'll have a full water view. It might mean that if you stick your neck out the window and turn, you'll see a sliver of water.

Mistake No. 6: The interest rate you'll get at the closing is the same that you've seen online. One of the most popular mortgage scams is the "bait and switch," and it's even easier to get away with it on the Internet. Here's how it works: You'll see a great interest rate online and when you call to follow up, you'll be told either that the rate has expired (at which point the lender will try to sell you on a more expensive loan), or that you've qualified for it. If you've "qualified" for the rate, you'd better check your mortgage documents thoroughly at the closing to make sure the rate you thought you were offered is actually the rate that is on the papers you're signing. Once you sign the papers, it's a lot harder to get the lender to live up to his or her initial mortgage commitment. (Of course, you'll have a stronger case if you have that rate quote in writing.)

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