

Need a Bigger House? How to Tell



Coldwell Banker Bain

Consider these 5 questions to decide if moving up makes sense for you

You're not exactly sure when you first thought about it. Maybe it was the last time you and your spouse tried to cook dinner together in your tiny kitchen, constantly bumping into one another, when suddenly the dog came racing through on his way to chase a squirrel in the yard, and in trying to get to Fido before he sprinted out the back door, you turned and tripped over your crying toddler. Maybe that's when it hit you: We need a bigger house.

There are many reasons people consider moving from a smaller, perhaps a starter home, to a larger or nicer house. Typically, starting a family or adding to it, adopting a new pet, or getting a promotion or unexpected windfall all trigger dreams of living larger. Whatever the reason, you'll know it's time to trade up when you start to feel the squeeze in your personal space as well as your quality of life.

But before you leap to a larger lap of luxury, ask yourself these questions:

1

Can I afford to move up?

A bigger house will probably cost more; it will almost certainly cost more to heat it, light it, clean it and maintain it. Ask yourself if you can handle a larger mortgage payment (and the taxes and insurance costs). Consider, too, not just the actual mortgage but whether paying it means you'd have cut back on other expenses or lifestyle choices such as entertainment, eating out or family vacations.

2

Can I sell my current house?

Unless you have enough cash on hand to buy a new house without relying on the profit from selling your current house to cover the upfront expenses – i.e., down payment, closing costs and moving expenses – you'll likely want to sell before you buy; otherwise, you could end up carrying two mortgages.

Depending on the market, how quickly you can buy and sell will be a factor. In a buyer's market, you'll have an easier time finding an affordable home at a lower price. However, your current house will sell at a lower price too. In a seller's market, the opposite will be true.

3

Can I get a mortgage?

Remember what you had to do to get a mortgage for your current house? Depending on how long ago that was the rules may have changed and it may be more difficult to get a mortgage this time around. Expect lenders to scrutinize your income, debts and assets and liabilities to make sure you're still a good risk. Your credit history will also be reviewed with a fine-toothed comb; if you've continued to pay your bills on time and have not exceeded your credit limits or have hurt your credit, you should still be in line for a good credit score (buyers with credit scores above 700 get the most competitive interest rates).

4

Love it or list it?

The days of mega-monster-extravagant remodels are gone with the wind. Today's homeowners still want to renovate but look for a balance between livability and resale value, and choose simpler projects, mini-remodels, over whole-house renovations. If a simple addition or a room remodel would be enough to keep you in a neighborhood that you already love, where your kids are happy and you're only five minutes from the grocery store, then perhaps moving out for short time to remodel makes more sense than moving up to a bigger home.

5

What's the upside?

Moving is stressful, even when you're looking forward to it. So consider how trading up will affect your life. For example, will living in a tonier neighborhood change your social status? Will having a bigger house with enough space for all your belongings make it easier to keep a tidy house, one where you'd happily entertain in more often? Will having an extra 1,000 square feet be compensation enough for causing a shift in your routines or proximity to family, friends or places you regularly frequent (work, school, church, clubs)? These intangibles are unique to every person but should be a factor in your decision to move.

