



Owen Ye

Licensed Texas Real Estate Agent | Real Estate Consultant

Mortgage Loan Originator, Loan Factory · NMLS #2541101 · Equal Housing Lender

Phone (347) 774-5396

WeChat Owenyerealtor

Website owenrealestatetx.com

Email owenyerealtor@gmail.com

Serving the Greater Houston Area

Moving Up: Buy First or Sell First?

The order is not a gut call — it is arithmetic you can run

Buy first or sell first is really one arithmetic question: what does carrying two homes cost each month, and how many months can your cash carry? Run those two numbers, see where contingent offers, leasebacks and bridge loans fit — and the order decides itself.

Moving Up: Buy First or Sell First?

Work the Timeline Backwards First

1. Sell first: the money is certain and your offer is strong

Sell the old home, then buy: your budget is a known number, and your offer on the new home carries no sale contingency — the most competitive position. The cost is the timing gap: until the new home is ready you may need a short rental or two moves, and a short-term leaseback after selling has to be negotiated in the sale contract itself. Best when the budget is tight and you are flexible about which home you buy next.

2. Buy first: one move, at the price of carrying two homes

Buy the new home, then sell: you move once, at your own pace, and can prepare the old home properly before listing. The cost is double carrying — two mortgage payments, two tax and insurance bills — and the old loan still sits on your debt-to-income ratio, which can shrink the new loan at pre-approval, so run both loans together from the start. Also leave room for the old home to sell slowly: never build the new budget on the assumption it sells fast at a top price.

3. Contingent offers: handle with care in a seller's market

An offer contingent on selling your current home protects you, but it is visibly weaker than an unconditional offer when competition is hot. Contingencies themselves have grades: not yet listed is weakest, listed is stronger, and already under contract is strongest. If you need one, shape it into its strongest form with your agent.

4. Bridge-financing options

A home equity line (HELOC) on the old home should be opened before you list it — most lenders will not approve one afterward. A bridge loan can pull the old home's equity forward, but fees and

rates are higher; judge the total cost, not just the payment. Either way, money that is not yet approved is not a budget: never write it into an offer as if it were cash in hand.

5. Decide by the math: how many months can you carry?

Turn the sequencing question into arithmetic: total the monthly cost of carrying both homes (payments + taxes + insurance + HOA on both), and compare it with how many months your cash can carry comfortably. If you can carry 4–6 months and the target home is scarce, buying first can work; if cash is tight or the old home is a slow seller, selling first is the steadier route. Finally, lay both timelines on a calendar, backwards: listing, contract, closing, leaseback end, moving day — moving problems almost always trace back to nobody doing this math early.

If this is sitting inside your transaction right now, ask me — free consultation: (347) 774-5396 | owenrealestatetx.com

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