

Should You Buy First or Sell First? How to Decide

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If you're relying on the equity in your current home to buy your next one, you're likely asking the big question: Should I sell first or buy first?

Some homeowners hesitate to sell before securing a new place, worried about being left without suitable accommodations. Others fear the financial risks of buying first, unsure whether their current home will sell in time—or for the price they expect.

Each path has its benefits and drawbacks. Here's a breakdown of the key considerations to help inform a sound decision.

Selling First: A Financially Cautious Approach

Selling before buying offers more financial certainty. With this strategy, homeowners know the sale price and closing date of their current property before committing to a new purchase. This clarity can reduce stress and limit financial risk.

In early spring, the market often presents opportunities to negotiate long closing dates. This can allow extra time to search for the right next home during the peak listing season.

Buying First: Can You Secure Financing?

Buying a new home before selling your current one can offer peace of mind, knowing you have a place to move to—but it's not without financial risk if you need the equity from your current home.

To make this approach work, homeowners should first assess the marketability of their existing property. A knowledgeable Realtor can offer valuable insights and a mortgage broker can also help explore financing solutions, including:

- Bridge financing – A short-term loan that bridges the gap between buying and selling. This option typically requires a firm, unconditional offer on your current home.
- Carrying two mortgages – For some, qualifying for an additional mortgage may be possible, especially if one property is treated as an income-generating rental.

This strategy calls for thoughtful financial planning. It's important to assess your personal risk tolerance and consult professionals who can help guide you through each step.

Looking for a Middle Ground? Here's an Alternative

If you don't want to buy or sell first, there's a strategic alternative to consider: making the sale of your home conditional on securing a specific property.

With this approach, you don't list your home until you've found the right one to purchase. Keep in mind, the seller can continue showing their property to other buyers during this time, so acting quickly is key.

The seller may agree to enter into an Agreement with a short conditional period while you finalize negotiations with a buyer. This helps ensure both transactions align, so you're not left owning two homes—or none.

Preparing the current home in advance for a fast listing—should the right property appear—can make this strategy more effective.

Making an Offer Conditional on the Sale of a Home

Many buyers assume they can make an offer on their next home contingent on selling their current one. While this may seem logical, it rarely works—especially for in-demand properties in competitive markets.

Most sellers won't entertain offers that hinge on another home selling because it discourages other interested buyers—many of whom also have homes to sell—from getting involved. Sellers want momentum and certainty, and a lengthy condition in an agreement can stall both.

If a seller is open to this type of offer, it's crucial they work closely with their Realtor. Their Realtor may want to assess the marketability of the buyer's home and suggest specific conditions—such as requiring it to be listed on MLS by a certain date and at a price not exceeding a set amount.

If a seller does accept your conditional offer, be prepared to pay a premium—having the 'right of first refusal' often comes at a cost.

What's the Best Strategy for You?

Only you can decide what's best for you. Working with an experienced Realtor and mortgage broker ensures access to tailored advice. With the right team and preparation, the process can be approached with confidence—no matter which path you choose.