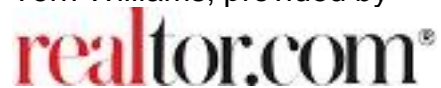




Dream Big: 6 reasons why you should look at homes outside your price range

Staying within your budget is a good idea most of the time. However, there are also some reasons to view homes outside of your range.

Terri Williams, provided by



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When you're house hunting, budget is everything. It dictates how much home you can reasonably afford, and therefore which homes you look at. After all, you don't want to end up house poor or risk going into foreclosure because you couldn't maintain your mortgage payments.

“In general, I don't like to show buyers homes outside of their price range, as it can create expectations of things they can't afford,” says Bill Golden, an independent real estate agent with Re/Max Around Atlanta.

However, he says, there are times when looking outside your budget does make sense. Here are six top reasons why you shouldn't be afraid to take a peek outside your price range.

1. You can't find anything

In today's market, there's a lot of competition among buyers, especially in the lower price tier. In those cases, it makes sense to look up—although real estate agents may be hesitant to suggest it.

“I don't want people thinking I'm pushing price to make a higher fee,” says Tamara Heidel, a broker at Heidel Realty in Las Vegas. However, she says buyers do sometimes go higher if they can't find a home that meets their desires or needs.

“If the buyers are truly unhappy with what they're seeing in their price range, sometimes seeing homes in a higher price range will make them more willing to stretch their upper limit, even if it means getting some help from parents or another source,” Golden says.

2. Price isn't the only factor

Ideally, you want to find a home within your desired price range, but staying under budget might not be as prudent as you might think.

Barbara Ireland, a real estate agent at DJK Residential in New York, encourages buyers to look at properties in preferred locations that are slightly above budget.

“An easy commute to work or a choice school will make for a better quality of life and lower transportation costs,” she says.

For example, your kids may be in private schools, but if you move to the right school district, they can attend public schools, saving you thousands of dollars a year. Also, if

you have to drive across town in bumper-to-bumper traffic for work or to shop, it might be worth it to pay more to save wear and tear on your vehicle and yourself.

3. You can learn a lot

Sometimes buyers have unrealistic expectations regarding move-in-ready properties in their price range.

George Case, a real estate agent at Warburg Realty in New York, believes that going above the price range educates his clients about the market.

“Seeing properties above your specified price range gives you context, an understanding of what attributes like condition, amenities, finishes, location, and placement drive pricing higher.” After his clients see homes above and in their price range, he then works with them to make an educated plan and narrow their searches based on priorities.

4. You can see what might be in striking distance

If you find a home that is outside your range, there’s a chance that your agent can negotiate it down.

“I look at the most current comps in that area, length of time on the market, time of year, state of the market, and the condition and curb appeal of the home,” Case says. If one of these factors indicates that the sellers might be open to negotiation—for example, if it's a stale listing—your agent can use that information to present a realistic offer.

5. You may actually get a better deal

Sometimes, a home within your budget may not be as sweet of a deal as one that is supposedly out of range.

“Some properties within budget may need renovations,” says Ireland. “The higher-priced home may be newer and move-in ready, saving the buyer time and money in the long run.”

And here's something else to consider. "In one area, the taxes maybe significantly lower than in a neighboring town," explains Joan O'Meara of Houlihan Lawrence in Rye, NY. So, a more expensive house might be a better deal if that area has a lower tax rate.

6. A higher amount might be totally manageable

There's no reason why you should try to live outside of your means; sticking to a budget is a smart money move. But it's important to put that budget into context.

"Adding an extra \$10,000 to your price point could make a big difference in the quality of home or area," says Heidel. "However, a \$10,000 price bump only adds approximately \$55 more a month to your payment."

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