

BUYER'S GUIDE

Buy or Sell First?

How to decide the right sequence for your move in the GTA



INTRODUCTION

This is one of the most common questions I get from move-up buyers in the GTA. The honest answer is: it depends on your financial situation, risk tolerance, and the current market. There's no universal right answer — but there is a right answer for your specific situation. Here's how to think through it.

Option 1: Sell First, Then Buy

Selling first means you know exactly how much money you have to work with before you commit to a purchase. It eliminates the risk of carrying two mortgages at once, and it gives you stronger negotiating power as a buyer because you're not conditional on your sale. The downside is that you may need to rent temporarily if you can't line up the timings perfectly — or you may feel pressure to buy quickly once your home is sold. In a stable or slower market, this is generally the lower-risk approach.

Option 2: Buy First, Then Sell

Buying before you sell means you can move on the right home when you find it without rushing. You won't need to worry about temporary housing or storage. The risk is that if your current home doesn't sell as fast as expected — or sells for less — you could be carrying two mortgages at once. In a rising market, this approach can work in your favour. In a softening market, it adds significant financial exposure.

Bridge Financing: What You Need to Know

If you buy before your current home closes, your lender may offer bridge financing to cover the gap between your purchase closing date and your sale closing date. Bridge financing is typically available only when you have a firm (unconditional) sale already in place. Interest rates on bridge loans are higher than standard mortgage rates, but for a short period the total cost is usually manageable. Not all lenders offer bridge financing, so ask your mortgage broker before assuming it's available.

Using a Conditional Offer on Your Purchase

One middle-ground approach in Ontario is to make your purchase offer conditional on the sale of your current home. This protects you financially but makes your offer less attractive to sellers — especially in a competitive market. In a bidding war, a sale condition often means your offer won't be accepted. In a balanced or buyer's market, it's a reasonable protection to ask for.

Key Questions to Ask Yourself

Before deciding, get clear on a few things: How quickly do homes typically sell in your current neighbourhood? Can you qualify for a mortgage on the new home without relying on the equity from your sale? Do you have the financial cushion to carry two properties for 30 to 60 days if needed? What does the market look like right now — are homes sitting or selling fast? The answers will tell you which path carries less risk for your situation.

Get a Market Analysis First

The single most useful thing you can do before making this decision is get an honest market analysis of your current home. Knowing its realistic sale price and typical days-on-market in your area gives you the foundation to build a plan. That's something I can do for you — no obligation, no pressure.

Ready to take the next step?

Let's talk about your situation. I work with buyers across the GTA and specialise in helping people make confident, informed decisions in this market.

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