Raine&Horne
Lower North Shore

TEAM HOWE

Upgrading on the Lower North Shore

Should You Buy First or Sell First?

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If you have owned your home for a decade or more and are considering an upgrade, one question usually comes before all others:

Should you buy your next home first — or sell your current home first?

Selling first may feel safer. You know exactly how much money you have, you avoid carrying two properties and your finance becomes simpler.

But there is another risk that receives far less attention: selling your home and then being unable to find the right property to buy.

On the Lower North Shore, that risk is very real.

The factor that changes the decision

The Lower North Shore contains some of Sydney's most tightly held suburbs. Many owners remain in their homes for well over a decade. In some suburbs, annual house sales are measured in dozens rather than hundreds.

Even when the overall number of properties for sale appears reasonable, genuine choice disappears quickly once you narrow the search by suburb, price, land size, accommodation, condition and position.

A family may not simply need "a four-bedroom home." They may need four bedrooms, level access, a home office, a north-facing garden, proximity to schools and a particular price range.

Suddenly, twenty available properties become two — and neither may be right.

If you sell first and assume the right upgrade will appear during your settlement period, you may find yourself under pressure to compromise, rent temporarily or move twice.

That is why scarcity — not simply finance — should shape the order of your move.

THE BUY-FIRST PRINCIPLE

For financially prepared upgraders, buying first can be the better strategy — but your existing home should be appraised, prepared and ready to sell before you buy.

Why buying first can make sense

When you buy first, you know exactly what you are moving into and exactly how much it will cost.

You are not searching with a looming settlement deadline. You are less likely to compromise on position, condition or accommodation simply because your existing home has already sold.

Most importantly, you can wait for a property that genuinely improves your position.

An upgrade should be worth the stamp duty, moving costs and disruption. Buying another home that only partly meets your needs defeats the purpose.

In a tightly held market, the right upgrade may only become available once or twice a year. When it appears, you want to be able to act.

Buying first does not mean buying blindly

Buying before selling only works when the financial position has been established conservatively.

The mistake is not necessarily buying first. The mistake is buying based on an optimistic sale price for the home you already own.

Before committing to a purchase, you should know:

- The evidence-backed value range of your existing home.
- The conservative figure you should use for planning.
- Your borrowing capacity and loan conditions.
- Whether bridging finance is available.
- The cost of temporarily holding two properties.
- Your stamp duty and other transaction costs.
- How quickly your home can be prepared and brought to market.

If your current home is appraised between $5.0 million and $5.50 million, do not structure the next purchase on the assumption that you will receive $5.50 million.

Use the lower, defensible figure — and preferably stress-test the position below that.

If the numbers still work, you can proceed with much greater confidence.

A softer market can favour the upgrader

Upgraders often focus too heavily on what they may receive for their current home and not enough on the price gap between the two properties.

If you are selling at $5 million and buying at $8 million, you are not trading a $5 million property. You are trading a $3 million gap.

Individual suburbs and price brackets do not always move at the same rate, so the calculation must be based on current comparable sales.

But the principle is important: when trading up, a softer market can work in your favour because the more expensive property may fall by a greater dollar amount.

You are generally selling and buying within the same broader market. The change in the price gap matters more than either price viewed in isolation.

Illustration only	Original value	At 5% softer	Movement
Current home	$5,000,000	$4,750,000	−$250,000
Upgrade property	$8,000,000	$7,600,000	−$400,000
Upgrade gap	**$3,000,000**	**$2,850,000**	**$150,000 narrower**

Illustrative figures only. Actual movements vary by suburb and price bracket and must be based on current comparable sales.

Auctions make preparation essential

Many Lower North Shore homes are offered through auction campaigns.

If you buy at auction, the transaction is unconditional. There is no cooling-off period and generally no opportunity to make the purchase subject to selling your existing home.

Once the hammer falls, you are committed.

That is not a reason to avoid buying first. It is a reason to have your finance, likely sale price and selling strategy established before you bid — not after.

You should also have the contract reviewed, your deposit available and your current home ready to launch.

Buying first should be a calculated decision, not a leap of faith.

The practical buy-first strategy

- **Establish the value of your current home.** Obtain an evidence-backed appraisal and use a conservative sale figure for planning.
- **Understand your complete financial position.** Confirm borrowing capacity, bridging options, stamp duty, holding costs and your maximum purchase price with your lender or mortgage broker.
- **Prepare your home for sale.** Complete the presentation, styling, photography and legal preparation so the campaign can begin quickly once you buy.
- **Wait for the right upgrade.** Monitor both advertised and off-market opportunities without being pressured by an approaching settlement deadline.
- **Buy when the right property appears.** Negotiate the longest practical settlement period where possible.
- **Launch the sale promptly.** Bring your existing home to market with a clear strategy and enough time to achieve a proper result.

This approach gives you the advantage of buying first without leaving the sale of your existing home as an afterthought.

Bringing the two transactions together

Several tools can help reduce the financial and practical gap between buying and selling.

FLEXIBLE SETTLEMENT TERMS

Settlement periods are negotiable. A longer settlement on the purchase may give you time to sell and settle your existing home before completing the purchase.

SIMULTANEOUS OR CLOSELY ALIGNED SETTLEMENTS

Your sale and purchase may be arranged to settle on the same day — or within several days of each other — reducing the period in which you own two properties.

BRIDGING FINANCE

For owners with sufficient income and equity, bridging finance can fund a short overlap. This may allow you to secure the right home while giving your existing property the time and marketing it deserves.

The interest rate, lending conditions and financial risks must be understood before committing.

TEMPORARY OCCUPATION AFTER SETTLEMENT

In some circumstances, a purchaser may allow the seller to remain in the property temporarily under a properly documented licence or lease arrangement.

This requires the purchaser's agreement and should be handled by the solicitors or conveyancers.

THE SIX-MONTH MAIN-RESIDENCE OVERLAP

Australian tax provisions may allow both properties to be treated as your main residence for up to six months, provided the relevant conditions are satisfied.

Do not assume this automatically applies. Confirm your circumstances with your accountant before acting.

The cost that must be calculated early

One figure can outweigh almost every other cost involved in moving: stamp duty. At Lower North Shore price points, the transfer duty on your next purchase can run into hundreds of thousands of dollars.

It directly affects your deposit, borrowing requirements and overall buying capacity. Calculate the actual figure at the beginning of the process — not when settlement is approaching.

The honest answer

Selling first may appear to be the safest option, but it creates a different form of risk: being sold, committed and unable to find a home that genuinely improves your position.

For many financially prepared Lower North Shore upgraders, buying first can be the more logical sequence. Not because selling afterwards is risk-free — it is not.

It makes sense because the right home to buy may be considerably harder to find than a buyer for the home you are leaving.

The honest starting point is not deciding what you hope your home will sell for. It is establishing a conservative, evidence-backed value, understanding the true cost of the upgrade and knowing exactly what is available to buy.

Get those three things right, and buying first becomes a strategy — not a gamble.

> **THE SAFEST BUY-FIRST STRATEGY**
>
> Appraise first. Prepare first. Arrange the finance first. Then buy when the right opportunity appears.

Let's Talk

If you're weighing up whether to buy or sell first, we'd welcome a conversation — and an honest, evidence-backed appraisal of your current home.

There's no obligation, and you'll walk away knowing exactly where you stand before you make a move.

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