Move-Up Buyer's *Blueprint*

Buy first or sell first, and every strategy in between. The complete guide to transitioning from your current home to your next one without losing equity, momentum, or your mind.

Buy First vs. Sell First Equity Calculation Bridge Loans Contingent Offers Michigan Proposal A Move-Up Planning Checklist

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July 2026

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Move-Up Buyer's Blueprint

Introduction

The Move-Up Decision: *Why It Is Different*

A first-time buyer has one transaction to manage. A move-up buyer has two, happening in overlapping markets, on competing timelines, with a mortgage already in place. The decisions you make in the first two weeks of this process shape everything that follows.

Moving up is not simply buying a home. It is executing a coordinated transition between what you have built and what you want next, while navigating two different negotiations, two sets of contingency windows, and a financing structure that must account for equity you do not yet have in hand.

The advantage you have as a move-up buyer is real: you have equity, ownership experience, an established credit profile, and institutional knowledge of what it means to own a home. You have already made the mistakes that first-time buyers make. The challenge is that the stakes are higher and the moving parts are more numerous. A misstep in sequencing can cost you the home you want, or leave you carrying two mortgages for longer than your cash reserves can sustain.

This Blueprint addresses every strategy in the move-up playbook: the buy-versus-sell-first decision, equity calculation, bridge financing, contingent offers, rent-backs, simultaneous closings, and the Michigan-specific tax considerations that most buyers discover only after they have already committed to a direction. At the end is a planning checklist, three illustrated timeline strategies, and a story from a real Southeast Michigan move-up transaction.

How to Use This Blueprint

Chapters 1 and 2 are the foundation, read them before you do anything else. Chapters 3 through 7 each describe a specific strategy or tool; your situation will determine which apply. Chapters 8 and 9 are operational: things to do while the process is underway. Chapters 10 and 11 cover Michigan-specific financial considerations that affect long-term cost, not just the closing table. Chapter 12 shows you what three successful timelines actually look like. Chapter 13 is the list you share with everyone who asks "what did you wish you had known?"

Chapter 1

Should You Buy First
or Sell First?

This is the central question of every move-up transaction. There is no universal right answer, but there is a right answer for your situation. Here is how to find it.

The Three Fundamental Approaches

Sell first, then buy. You list your current home, accept an offer, close, and then (or simultaneously) purchase your new home. This is the most financially conservative approach, you know exactly how much equity you have, you are not carrying two mortgages, and your offer on the new home can be non-contingent. The primary risk is the gap between your sale and your purchase, which may require temporary housing.

Buy first, then sell. You purchase your new home while your current home is still unsold. This eliminates the gap and lets you move on your timeline. The risk is carrying two mortgages until your current home sells, and if it takes longer than expected, the financial strain compounds. This approach works only if you have the cash reserves and/or financing capacity to sustain both obligations for 60 to 180 days.

Simultaneous close. Both transactions close on the same day, with the proceeds from your sale funding your purchase. This is the most efficient outcome and requires the most coordination. It works when you can find your new home while your current home is under contract, and the timelines align close enough to schedule on the same date.

How to Make the Call

Factor	Points Toward Sell First	Points Toward Buy First
Down payment source	Equity is your only source	You have independent cash reserves
DTI with two mortgages	Would be strained or ineligible	Lender-approved at both payments
Your current market	Strong, home will sell quickly	Slow, need to control timing
Target market inventory	Low, homes available	Tight, homes disappear fast
Emotional tolerance	Want certainty before committing	Can manage open variables
Temporary housing	Available (family, flexible lease)	Not available or unacceptable

From Experience Derica Wade, Associate Broker

"The buyers who run into the most trouble are the ones who choose their strategy based on what they want emotionally rather than what their finances support. I have seen buyers buy first when they absolutely had to sell first, and spend four months terrified, carrying two mortgages and watching their reserves drain. The math has to come first. What the math says your situation can handle is the strategy you use, even if it is not the one you wanted."

Chapter 2

Calculating Your
Available Equity

Most homeowners know their home has gone up in value. Far fewer know their net equity, the actual cash available after the sale is done and all costs are paid. These two numbers can be very different.

The Net Equity Formula

Net equity is not your home's value minus your mortgage balance. It is your home's value minus your mortgage balance minus every cost of selling. In Southeast Michigan, those costs are substantial and frequently underestimated.

Item	Typical Rate	On a $350,000 Sale
Estimated sale price	,	$350,000
Remaining mortgage payoff	,	–$185,000
Agent commission (buyer + seller)	5% to 6%	–$19,250
Michigan state transfer tax	0.75%	–$2,625
Michigan county transfer tax	~0.55%	–$1,925
Seller closing costs and fees	~1%	–$3,500
Pre-listing repairs and updates	Varies	–$3,000
Seller concessions (if offered)	0% to 3%	$0 to –$10,500
Net equity available	,	**~$134,700**

Illustrative only. Based on a $350,000 sale in Southeast Michigan, July 2026. Michigan transfer taxes are paid by the seller. Commission rates are negotiable. Concessions depend on negotiation and market conditions. Contact/download the Michigan Closing Cost Blueprint for detailed closing cost breakdowns.

Gross Equity vs. Net Equity: The Gap That Surprises Buyers

In the example above, gross equity (sale price minus mortgage) is $165,000. Net equity, what actually hits your bank account, is closer to $134,700. That is a $30,000 gap. Buyers who plan their new down payment based on gross equity often arrive at closing short. Do the net calculation before you commit to any down payment amount on your new purchase.

Pro Tip: Get a CMA Before Anything Else

A Comparative Market Analysis (CMA) is a professional assessment of your current home's likely sale price based on recent comparable sales. It is free, takes about 48 hours to prepare, and is the foundation of every financial decision in a move-up transaction. Before you calculate equity, before you talk to a lender, before you attend a single open house for your next home, know what your current home is actually worth in this market. I prepare CMAs for current clients at no cost and with no obligation to list.

Chapter 3

Bridge Loans
Explained

A bridge loan allows you to access the equity in your current home before it sells, giving you the down payment funds to make a non-contingent offer on your new home. It is the tool that turns a sell-first buyer into a buy-first buyer.

How a Bridge Loan Works

A bridge loan is a short-term loan, typically 6 to 12 months, secured by your current home. It provides access to your existing equity before your home sells. You use those funds as a down payment on your new home, then repay the bridge loan when your current home closes. During the bridge period, you typically pay interest only; the principal is repaid from sale proceeds.

Eligibility and Structure

Bridge loans are available through select community banks, credit unions, and portfolio lenders in Southeast Michigan, not all lenders offer them, and they are rarely available through traditional retail mortgage channels. You typically need at least 20% equity in your current home after the bridge loan balance. Lenders calculate maximum bridge loan amount as roughly 80% of your current home's value, minus the existing mortgage payoff.

Bridge Loan Term	Typical Range	Notes
Loan term	6 to 12 months	Repaid from current home sale proceeds
Interest rate	Prime + 1% to 2%	Higher than conventional mortgage; interest-only payments
Maximum loan amount	80% LTV on current home minus payoff	Varies by lender
Closing costs	2% to 3% of loan amount	Often rolled into the loan
Availability	Community banks, credit unions	Ask your agent for referrals to bridge-friendly lenders

When a Bridge Loan Makes Sense

A bridge loan is the right tool when: (1) your down payment depends on your current home's equity; (2) you need to make a non-contingent offer to compete in your target market; and (3) your current home is positioned to sell quickly, meaning the bridge period will be short. The interest cost of a 90-day bridge at typical rates on a $100,000 bridge loan is approximately $2,500 to $3,500, a meaningful cost, but potentially worthwhile to secure the home you want without contingency.

Bridge Loan Risk: Know It Before You Use It

If your current home does not sell within the bridge loan term, you will need to either extend the bridge (at cost and at lender's discretion), reduce your asking price aggressively to force a sale, or in a worst case, face a default scenario. Only use a bridge loan when your current home is priced correctly for the current market and you have a realistic, short selling timeline. Never bridge into a purchase on a home you are not certain will sell quickly.

Chapter 4

Contingent Offers:
Making Them Work

A contingent offer makes your purchase conditional on selling your current home. In a seller's market it looks weak on paper, but in the right conditions, with the right structure, contingent offers close successfully every day.

What a Home Sale Contingency Says

A home sale contingency in the Michigan purchase agreement states that your purchase is contingent upon the sale and closing of your current home by a specific date. If your current home does not sell by that date, you can terminate and recover your earnest money. This protects you from owning two homes. The cost is competitiveness: sellers prefer offers without contingencies because they are simpler and carry less risk of falling through.

The 72-Hour Kickout Clause

Many sellers who accept contingent offers include a 72-hour kickout clause (also called an "escape clause" or "release clause"). This provision allows the seller to continue marketing the home. If the seller receives another acceptable offer, they notify you, and you have 72 hours (or another specified period) to either remove your contingency and proceed, or release the contract. This gives the seller a safety net while still accepting your offer, and it is the mechanism that makes contingent offers viable in competitive markets.

When Contingent Offers Are Most Likely to Be Accepted

Your contingent offer is most competitive when: your current home is already listed and active on the market (or better, already under contract); you have a realistic and near-term closing timeline; your offer terms are otherwise strong (price, earnest money, inspection flexibility); and the seller has been on market long enough to consider options that are not all-cash or pre-sold.

Strengthen a Contingent Offer: List First

The single most effective way to strengthen a contingent offer is to have your current home already listed, ideally under contract, when you make your offer. "Under contract, expected close in 30 days" is a different conversation than "we haven't listed yet." If you are planning to make a contingent offer in a competitive market, list your current home as early as possible, even before you have found the right new home. The sequence matters.

Chapter 5

Rent-Back *Agreements*

A rent-back agreement lets you sell your home, collect your equity, and continue living in it for a defined period, buying you time to close on your next home without ever touching temporary housing.

How Rent-Back Works

In a rent-back (also called a post-closing occupancy agreement), you close on your current home, transferring ownership and collecting your proceeds, and then remain in the home as a tenant for a negotiated period. You pay the buyer a daily rate, typically equivalent to their prorated principal, interest, taxes, and insurance (PITI). The buyer's lender must approve the arrangement, and the terms must be specified in writing before closing.

Typical Rent-Back Terms

Term	Common Practice	Notes
Duration	15 to 90 days	Longer rent-backs are possible but lender-dependent
Daily rate	Buyer's daily PITI	Negotiable; sometimes flat fee per month
Security deposit	Typically 1 to 2 months PITI	Returned at vacating if no damage
Lender limit (FHA)	60 days maximum	FHA requires owner occupancy within 60 days
Lender limit (VA)	60 days maximum	VA has same 60-day occupancy requirement
Conventional loan limit	Typically 60 to 90 days	Investor properties: no limit, but rate/terms differ

When to Negotiate a Rent-Back

Request the rent-back in your listing rather than after an offer arrives. Sellers who proactively offer a rent-back option attract buyers who are motivated to make the deal work. If the buyer's financing is conventional and their timeline is flexible, a 60-day rent-back is a reasonable ask. In a strong seller's market, rent-back requests from the seller side are commonly accepted because the buyer has already competed for the home and wants to close without losing it over post-closing terms.

Chapter 6

Simultaneous *Closings*

A simultaneous close, your current home sells in the morning, your new home closes in the afternoon on the same day, is the cleanest possible outcome. It is also the one that requires the most preparation to execute without drama.

How Simultaneous Closings Work

A simultaneous closing requires coordination between two sets of lenders, two title companies (or one handling both transactions), and precise wire timing. The sequence: your current home closes first, wiring your sale proceeds (net of payoffs and costs) to a title account. Those funds are then immediately applied to your new home's closing. You sign the new home's documents in the afternoon and receive your keys the same day.

What Can Go Wrong, and How to Prevent It

The simultaneous close is only as reliable as its weakest link. If your buyer's financing falls through the morning of closing, your purchase closing is also at risk. If the wire from your sale is delayed by a banking issue, your new home closing may be forced to the following business day, requiring a same-day extension request, revised closing disclosure, and potentially recalculated prepaid interest.

Three Practices That Protect a Simultaneous Close

1. Same title company for both transactions when possible. A single settlement agent handling both transactions can coordinate the wire without the normal inter-company delay. **2. Confirm wire instructions with both title companies 48 hours in advance**, always by phone, never by email (wire fraud is real). **3. Have bridge funds available as a backup**. If your buyer's closing is delayed by 24 hours, you need to be able to close on your new home anyway. A pre-approved bridge loan you never intend to use is the safety net that makes a same-day close survivable if something slips.

Michigan-Specific Note: Wet State Closing

Michigan is a "wet state," meaning that funds must be available and confirmed at the closing table, disbursement happens at closing, not after a post-closing recording period. This makes simultaneous closings more tractable in Michigan than in "dry states" (where disbursement is delayed until recording), but it also means that if your sale wire is delayed for any reason, your new home closing cannot proceed until confirmed funds arrive. For a deeper look at how closing costs and wire timing work, see the Michigan Closing Cost Blueprint at heartstohomesmi.com/blueprint-library.

Chapter 7

Temporary Housing
Options

If you sell before you close on your next home, temporary housing is not a failure, it is a planned phase of a sell-first strategy. Planning it in advance is far less expensive than discovering your options on closing day.

Know Your Options Before You Need Them

The cost and availability of temporary housing in Southeast Michigan varies significantly by community and season. Having a plan in place before your home goes under contract prevents panic decisions and preserves negotiating flexibility on your new purchase.

Option	Typical Cost	Best For
Rent-back from your buyer	Prorated buyer PITI	First choice; no relocation required
Family or friends	$0 to nominal	Flexible timeline; requires relationship tolerance
Extended-stay hotel / residence inn	$1,800 to $3,500/mo	Short gaps (30 to 60 days); furnished and flexible
Furnished short-term apartment	$2,000 to $4,000/mo	Gaps of 60 to 120 days; SE Michigan market is tight
Self-storage + friend's home	$200 to $500/mo storage	Minimal gap; furniture in storage, you stay light
Corporate housing (relocation)	Employer-paid or negotiated	Job-related moves; ask HR before you list

Budgeting for the Gap

The sell-first strategy typically produces a gap of 30 to 90 days between closing on your current home and moving into your new one. In Southeast Michigan, budget a realistic worst case of 90 days at $2,500 to $3,000 per month for furnished temporary housing. That is $7,500 to $9,000, a real cost, but one that is knowable in advance and fundable from the proceeds of your sale. Building this cost into your planning prevents it from becoming a surprise.

Chapter 8

Protecting Your Buying Power
While Your Home Is Listed

From the day you list your current home until the day you close on your new one, your financial profile is being evaluated by mortgage lenders. The decisions you make during this period can strengthen or quietly destroy your approval.

Get Pre-Approved Before You List

Pre-approval for your new mortgage should happen before your current home is listed, not after it goes under contract, not while you are shopping for homes, and certainly not the week before you want to make an offer. A pre-approval done now establishes your maximum purchase price, confirms your debt-to-income ratio with both mortgages in the calculation if needed, identifies any credit issues with enough time to address them, and gives you the speed to make a fast offer when you find the right home.

The Behaviors That Hurt You

Action	Why It Hurts Your Approval
Opening new credit cards or auto loans	Increases debt-to-income ratio; hard pull lowers credit score
Large undocumented cash deposits	Triggers source-of-funds documentation requirement; can delay underwriting
Changing employers during the process	Restarts employment verification; may require new 30-day pay stubs if in new role
Co-signing another loan	Adds liability to your DTI even if you are not making payments
Making large credit purchases on existing cards	Raises utilization rate; can drop credit score 15 to 30 points
Moving money between accounts without documentation	Triggers seasoning requirements; lenders need 60-day history on funds

Rate Lock Timing

Interest rates can move meaningfully in the 30 to 90 days between your pre-approval and your closing. Once you have an accepted offer on your new home, ask your lender about rate lock options: standard locks are 30 to 60 days; extended locks (60 to 120 days) cost more but protect you against rate increases. In a rising-rate environment, the cost of an extended lock is often worthwhile compared to the monthly payment difference of a 0.25% rate increase.

Chapter 9

Competing Against
Non-Contingent Buyers

In a competitive Southeast Michigan market, sellers prefer clean offers. A contingent offer is not a death sentence, but it does require a deliberate strategy to make it as attractive as possible.

What Sellers Actually Fear About Contingent Offers

Sellers do not dislike contingencies because they are inherently bad. They dislike them because of the risk they represent: if your home does not sell, or if the sale falls through, the seller has already waited weeks and must start over. The way to make a contingent offer competitive is to reduce or eliminate the seller's perceived risk at every point possible.

Six Tactics to Strengthen a Contingent Offer

1. List your current home before making the offer. Showing the seller that your home is already on the market, or better, under contract, directly addresses their primary fear. If your home is already selling, the contingency is a formality rather than a variable.

2. Use a bridge loan to go non-contingent. If your current home is priced to sell quickly, a bridge loan may let you make a non-contingent offer entirely. See Chapter 3.

3. Larger earnest money deposit. A $5,000 to $10,000 earnest money deposit on a contingent offer signals confidence and seriousness in a way that standard EMD amounts do not. It communicates to the seller that you are not making casual offers.

4. Accept the kickout clause proactively. Rather than forcing the seller to insert it, include acceptance of a 72-hour kickout clause in your offer. This shows you understand the seller's risk and have already thought about what happens if they receive another offer.

5. Short contingency window. If your home is already listed, propose a short home sale contingency period, 30 to 45 days instead of 60, with your listing data as evidence that the sale is on track.

6. Offer seller-chosen closing date. Giving the seller control over the closing date removes one variable from their calculus and signals flexibility. Pair this with your other concessions and a contingent offer becomes considerably more competitive.

Find Your Target Community First

Before you start making offers in your target market, know the community deeply enough to move fast when the right home appears. The Hearts to Homes Community Guides cover 18 Southeast Michigan communities in detail, lifestyle, taxes, school districts, commute patterns, and what buyers discover after they arrive. Use the Find Your Fit Quiz at heartstohomesmi.com to identify which communities match your priorities. The more decisive you are at the offer stage, the more competitive your terms can be.

Chapter 10

Michigan Proposal A:
Property Tax Uncapping, Simply Explained

Michigan's Proposal A is one of the most important financial facts about homeownership in this state, and one of the most reliably misunderstood. Move-up buyers need to understand it on both sides of their transaction.

How Proposal A Works

Michigan's Proposal A, passed by voters in 1994, caps the annual increase in a home's *taxable value* at the rate of inflation (CPI) or 5%, whichever is less. The taxable value is the number your property tax is calculated on. Over time, in a market where home values appreciate faster than inflation, the taxable value falls significantly below the home's actual market value.

When the property transfers to a new owner, the cap resets. The taxable value "uncaps" to the State Equalized Value (SEV), which is approximately 50% of the home's market value. In the first assessment year after purchase, the taxable value for the new owner is calculated from this uncapped SEV.

The Move-Up Buyer Scenario

Scenario	Your Current Home (Selling)	Your New Home (Buying)
Market value	$300,000	$450,000
SEV (50% of market value)	$150,000	$225,000
Capped taxable value (after years of ownership)	$140,000 (Proposal A cap)	N/A, you are the new owner
Tax calculation basis	$140,000 (until you sell)	$225,000 (full SEV after uncapping)
Effective tax rate (example: 35 mills)	$4,900/yr on $140K	$7,875/yr on $225K
Annual tax increase vs. current home	,	+$2,975/year

Illustrative only. Millage rates vary by municipality, school district, and county. The actual impact depends on the capped taxable value of your current home (call your local assessor) and the listing price of your new home.

Michigan Tip: Never Use the Seller's Tax Bill as Your Estimate

The seller's current property tax bill reflects their capped taxable value, which could be substantially lower than what you will pay after uncapping. On a home where the seller has owned for 15 years in an appreciating neighborhood, the gap can be thousands of dollars per year. Always ask your agent or the local assessor for an uncapped tax estimate before you finalize your budget for the new home. For a full explanation of Michigan property taxes and how to calculate uncapped values, see the Michigan Property Tax Guide at heartstohomesmi.com.

Chapter 11

Capital Gains Exclusion
Basics

Most Michigan move-up buyers will owe no federal capital gains tax on the profit from selling their current home, but only if they meet the IRS residency requirement. This is a significant benefit worth understanding before you sell.

The Section 121 Exclusion

IRS Section 121 allows homeowners to exclude from federal capital gains tax up to **$250,000 of profit** (single filer) or **$500,000 of profit** (married filing jointly) on the sale of a primary residence, provided they have owned and used the home as their primary residence for at least **2 of the last 5 years** before the sale.

"Used as a primary residence" is the operative phrase. You can rent the home for a period, live elsewhere temporarily, or have multiple properties, as long as you meet the two-of-five-years test for the home being sold. The exclusion is per transaction: you can use it as frequently as once every two years on different properties.

Calculating Your Gain

Your capital gain is your sale price minus your *adjusted cost basis*. The adjusted cost basis is your original purchase price plus the cost of capital improvements, a kitchen renovation, a room addition, a new roof, a new HVAC system. Cosmetic updates and maintenance do not count. The higher your adjusted cost basis, the lower your taxable gain. Keep receipts and records of every major improvement for this reason.

Example	Amount
Sale price	$350,000
Original purchase price	$195,000
Capital improvements (kitchen, roof, bath)	+$28,000
Adjusted cost basis	$223,000
Capital gain	$127,000
Section 121 exclusion (married)	$500,000
Taxable gain	$0, fully excluded

This Is Educational Only, Consult a Tax Professional

Tax law is complex, changes over time, and is affected by your individual circumstances. This summary is provided for general awareness only and does not constitute tax advice. If your gain approaches or exceeds the exclusion limits, or if your ownership history is complicated by rental periods, inheritance, or prior exclusion use, speak with a CPA or tax attorney before you close. The time to address a capital gains question is before the sale, not after.

Chapter 12

Three Successful Move-Up Strategies:
Timeline Examples

Abstract strategy is easier to act on when you can see how it plays out across a real timeline. Here are three versions of a successful move-up transaction, each suited to a different financial situation and risk tolerance.

Strategy A: Sell First, Rent Back, Then Buy

Best for: buyers whose down payment depends on equity; buyers who want zero financial risk in the transition.

Week	Activity
Week 1 to 2	CMA, pre-approval for new mortgage, equity calculation, listing prep
Week 3	Current home lists; begin touring target market
Week 4 to 5	Offer accepted on current home; negotiate 60-day rent-back
Week 6	Inspection and contingency period on current home
Week 8	Current home closes; proceeds collected; rent-back begins
Week 8 to 11	Active search with cash in hand; non-contingent offers; strong position
Week 11 to 13	New home under contract; inspection; closing
Day 90 (approx.)	Move into new home; rent-back concluded

Risk level: Low. Financial exposure: temporary housing cost only (covered by rent-back). Competitive position on new purchase: Strong, non-contingent buyer with equity in hand.

Strategy B: Simultaneous Close

Best for: buyers who can find their new home while their current home is under contract; tightly coordinated timelines.

Week	Activity
Week 1 to 2	Pre-approval, CMA, equity calculation
Week 2 to 3	List current home; begin touring new home market
Week 3 to 5	Current home goes under contract; make contingent offer on new home (current home UC)
Week 5 to 7	Inspections on both homes; negotiate; release contingencies
Week 8	Request same-day closing; coordinate both title companies
Closing day	Current home closes AM; new home closes PM; move directly

Risk level: Moderate. Financial exposure: any financing failure in either transaction. Competitive position: Moderate, contingent, but home already under contract strengthens the offer significantly.

Strategy C: Bridge Loan, Buy First, Then Sell

Best for: buyers with significant equity, strong reserves, and a need to move fast in a competitive market.

Week	Activity
Week 1 to 2	Bridge loan pre-approval alongside new mortgage pre-approval; CMA on current home
Week 2 to 4	Tour new home market; make non-contingent offer (funded by bridge loan)
Week 4 to 6	New home under contract; inspection; close on new home; move in
Week 6 to 8	List current home; prepare for market with home now vacant (easier showing)
Week 8 to 12	Current home closes; proceeds retire bridge loan and replenish reserves

Risk level: Higher. Financial exposure: bridge loan interest + two mortgage payments during overlap (typically 60 to 90 days). Competitive position: Maximum, fully non-contingent, move-in-ready buyer in the new home market.

Chapter 13

Common Mistakes That *Cost Homeowners Money*

These are not hypothetical. Every one of these mistakes has been made by a capable, intelligent person in the middle of a Southeast Michigan move-up transaction. The cost of each one is real and avoidable.

Mistake 1: Planning the Down Payment on Gross Equity

Buyers calculate gross equity (value minus mortgage) and commit that full amount to a down payment, without accounting for commission, transfer taxes, closing costs, and repairs. The result is arriving at closing short by $20,000 to $40,000. Always plan from net equity. See Chapter 2 and the Michigan Closing Cost Blueprint for the full cost calculation.

Mistake 2: Getting Pre-Approved After Listing, Not Before

Buyers list their current home, get an offer within two weeks, and then, only then, try to get pre-approved for the next purchase. If there is a credit issue, an income documentation gap, or a DTI problem at that point, the timeline collapses. Pre-approval must happen before the listing goes live.

Mistake 3: Over-Improving Before Listing

Sellers convince themselves that a $25,000 kitchen renovation will add $35,000 to the sale price. In most Southeast Michigan resale markets, renovation-to-value ratios rarely work that cleanly. The smarter investment is in condition: deep clean, paint, repair visible defects, landscape. Buyers pay for move-in readiness more reliably than they pay for high-end finishes in a mid-range neighborhood. Spend $3,000 to $6,000 on condition, not $25,000 on cosmetic upgrades.

Mistake 4: Ignoring the Proposal A Uncapping Impact

Buyers budget based on the seller's current property tax bill, which reflects years of Proposal A capping. After uncapping, their actual tax bill is significantly higher. This is a year-two surprise that hits when the first post-purchase tax bill arrives. Calculate uncapped taxes before you finalize your new home budget. See Chapter 10.

Mistake 5: Not Having a Backup Plan for the Simultaneous Close

A buyer assumes both closings will happen as planned on the same day. The buyer's financing on the sale side experiences a 24-hour delay. Without a bridge line or cash reserves, the new home closing fails. Every simultaneous close plan should have a backup: a pre-approved bridge, confirmed cash reserves, or a lender with same-day wire capability who has already rehearsed the timeline.

Mistake 6: Making Financial Changes During the Process

Opening a new credit card ("for the moving costs"), buying furniture on financing ("we're going to need it anyway"), or changing jobs ("the new one pays more") during the period between listing and closing on the new home. Any of these can delay or kill the mortgage approval. See Chapter 8.

Mistake 7: Pricing the Current Home Too High to "Leave Room to Negotiate"

In the move-up transaction, time is literally money. Every extra week the current home sits on market is a week closer to an expired contingency, a bridge loan extension fee, or a temporary housing cost. The home that is priced correctly sells in the first two weeks. The home priced 5% too high sits for eight weeks, gets a price reduction, and still sells at market value, but the seller has lost two months of momentum and paid for the lesson.

Move-Up Planning
Checklist

Use this checklist from your first conversation about moving up through the day you receive the keys to your new home.

Before You Do Anything Else
- Request a Comparative Market Analysis (CMA) on your current home
- Calculate your net equity using the formula in Chapter 2
- Get pre-approved for a new mortgage, including DTI calculation with both mortgages
- Ask a bridge-friendly lender what bridge loan amount you qualify for (even if you don't plan to use one)
- Confirm capital gains exposure with your CPA (especially if your gain may exceed the exclusion)
- Calculate the uncapped property tax estimate for your target home price range
- Identify your target communities using the Find Your Fit Quiz at heartstohomesmi.com
- Review the Community Guides for your top 2 to 3 target communities
- Decide: sell first, simultaneous, or buy first with bridge, based on your finances, not your preference

Listing Your Current Home
- Set asking price at market, not 5% above market "to leave room"
- Complete condition repairs (paint, clean, visible defects) before photos
- Have your home professionally photographed
- Confirm home inspection history with seller's disclosure; consider pre-listing inspection
- Negotiate rent-back terms as part of your listing strategy (not as a last-minute request)
- Make no new credit applications, purchases, or employment changes from this point forward
- Set up temporary housing plan as a backup before accepting the first offer

Buying Your Next Home
- Review the Home Inspection Blueprint before your inspection appointment
- Schedule radon test and sewer scope with the general inspection if home is over 25 years old
- Confirm the property's uncapped tax estimate with the local assessor before closing
- Request a Closing Disclosure comparison against your Loan Estimate (see Michigan Closing Cost Blueprint)
- Confirm wire transfer amount and receiving account by phone with both title companies 48 hours before closing
- If simultaneous close: confirm both closings are scheduled in the correct order (sale first, purchase second)
- If bridge loan: confirm payoff amount and wire instructions with bridge lender at least 5 business days before close

After Both Closings
- Confirm principal residence exemption (PRE) filing with new home's local assessor within 30 days
- Update homeowner's insurance to new address immediately
- Transfer utilities in your name on or before closing day
- Update Michigan driver's license address within 30 days
- Track capital improvements on new home from day one (save all receipts for future basis calculation)
- Review property tax assessment in first spring after purchase; appeal if SEV appears incorrect

The Kickout That Almost Ended It

"They had found the house in Canton. Four bedrooms, great school district, the yard their kids had been waiting for. Their current home in Westland wasn't listed yet. They asked if we could make a contingent offer anyway."

"We could, and we did. I framed it carefully in the offer: 'Seller is aware that buyers' current home is not yet listed. Buyers will list within 7 days of acceptance.' We set the home sale contingency at 45 days and offered a 72-hour kickout clause proactively. The earnest money was $8,500."

"The seller accepted. We listed the Westland home six days later, priced right. Two and a half weeks in, the seller received another offer on the Canton home and issued the kickout notice. We had 72 hours."

"The Westland home had been showing well but didn't have an offer yet. We had a showing that afternoon. We called the buyers and went through the math: could they carry both mortgages for up to 60 days if they released the contingency? Their lender confirmed yes. The showing that afternoon produced an offer. But even without it, the math worked."

"They released the contingency with 12 hours to spare. The Westland home went under contract four days later. Both homes closed within 10 days of each other. The gap between sales was handled with a 14-day rent-back from their Westland buyer."

"The entire transaction hinged on two things: knowing the math in advance, and having already thought through the kickout scenario before it arrived. When it happened, it wasn't a panic, it was a decision point they were ready for."

Derica Wade, Associate Broker · Hearts to Homes Team · Real Estate One · Plymouth, Michigan

Your Next Step

What Happens *Next*

You now have a clear map for every decision in a move-up transaction. The next step is making it specific to your home, your equity, your finances, and your target market.

The best move-up transactions are not reactive, they are planned three to six months in advance. Buyers who start the process by getting a CMA on their current home, calculating net equity, and confirming pre-approval before they list have a completely different experience than buyers who decide to move and immediately start touring new homes without doing the financial groundwork first.

The conversations that matter most happen before anything is listed. If you are thinking about a move-up in the next three to twelve months, now is the right time to have that conversation, not when you find a house you love and realize you haven't done the preparation. Every month of preparation reduces risk and expands your options.

If you have questions about your specific situation, your equity calculation, which strategy fits your finances, or how to position your current home for a fast sale, I am a direct call or email away.

Let's Build the Plan

Book a Free Move-Up
Strategy Session

We will walk through your current home's market value, calculate your net equity, run your numbers through the right strategy for your situation, and identify which communities match your next-home criteria. 45 minutes. No pressure. Completely free.

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Blueprint Library

Continue Your Blueprint Journey

Pairs Well With This Blueprint Michigan Closing Cost Blueprint Every cost on both sides of your transaction, the seller side of your current home and the buyer side of your next one, including how seller concessions and credits affect cash to close. heartstohomesmi.com/blueprint-library

Inspect Before You Commit Home Inspection Blueprint As a move-up buyer, you already know what it costs to maintain a home. The Home Inspection Blueprint gives you the vocabulary to negotiate repair items and read the report as an experienced owner, not a first-time buyer. heartstohomesmi.com/blueprint-library

Find Your Next Community Southeast Michigan Community Guides + Find Your Fit Quiz 18 communities covered in depth. The Find Your Fit Quiz narrows your list by lifestyle, commute, schools, and budget, so you spend your search time on the neighborhoods that actually match what you need next. heartstohomesmi.com/community-guides-southeast-michigan

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