



SELLING YOUR HOME DURING A DIVORCE

OFTEN THE EMOTIONAL CIRCUMSTANCES OF A DIVORCE MAKE IT DIFFICULT TO MAKE OBJECTIVE DECISIONS. ONCE YOU KNOW HOW A DIVORCE WILL AFFECT YOUR HOME OWNERSHIP, MORTGAGE, AND TAXES, IT'S EASIER TO MAKE A DECISION ABOUT WHETHER OR NOT TO SELL YOUR HOME.

It helps to consider all of the options available without considering the circumstances of your divorce. There are basically three options: retain the property, sell the property and split the profit, or agree on a buyout.

Retaining Joint Ownership of Your Home

During the divorce process, some couples choose to maintain joint ownership of their home. They may do this in order to postpone making a decision about whether or not to sell. Retaining the family home can also make the divorce transition easier for children. This option isn't financially viable for many couples going through a divorce. They may not be able to afford the cost of two homes. Retaining your home may also have financial repercussions when it comes to paying taxes.

Selling Your Home

If selling your home is the best option for you to pursue, then it's important that you and your spouse agree to cooperate and use a real estate professional. Using a realtor is highly recommended, as he/she can act as an objective mediator when it comes time to make important decisions. It is essential for both you and your spouse to be involved in the listing and selling process. Couples who do not act cooperatively in the sale of their home are often forced to sell for less money. Time wasted on disagreements causes the property to lose marketing momentum. Typically, significant price reductions are the only way to boost interest in a home that has lingered on the market for too long.

Agreeing to a Buy Out

If you or your spouse decides to buy out the other, you will both need to be aware of the financial implications. If you qualified for your home's mortgage with two incomes, it may be difficult for the person who remains in the home to refinance. If your home isn't refinanced in the buy out process, then most lenders will consider you AND your spouse liable for the mortgage on your home (even though legal ownership is no longer shared). This can make obtaining a mortgage on a new home difficult.

Determining the Best Option

When trying to determine which option will best resolve housing concerns during your divorce, consider some of the following questions:

- Do you have children who would benefit from the consistency of living in the same family home?
- How does your home impact you emotionally: is it a place of happy memories or is it now associated with negative emotions?
- Can you afford to refinance in a buy out situation?
- Can you financially afford to wait until your divorce is finalized?
- Are you and your spouse able to collaborate on selling your home?
- Would a new home environment help you create a new start for your life?
- If you sell, can you afford to move into a new home with your share of your home's equity?

You're the only person who can answer many of these questions. Consider speaking with an experienced mortgage broker, reputable lawyer, and a real estate professional as you determine which path to take. If possible, work with these professionals in collaboration with your spouse. Working together will cost you the least amount of money. If you choose to sell, collaboration will also help you obtain a higher sell price with favorable terms.

To receive a free home-finder search that matches your criteria, please email us at info@hardyteam.ca