

The 10 Most Common Myths about Real Estate

1. Real estate agents are paid a salary

The public is horribly confused about how agents make a living. Attention perpetual house shoppers and sellers just testing the market: the agent's time and expenses are 100 percent on them. There is no base salary or reimbursement for the time and money they've expended no matter the outcome, whether it's 500-plus messages or hours of research, advice, problem-solving, trouble-shooting, giving insight over the phone or making countless trips to show property, and this includes holidays, nights and weekends... **Realtors® volunteer all their time and resources for free, until there is a closing!**

2. The agent keeps all the commission

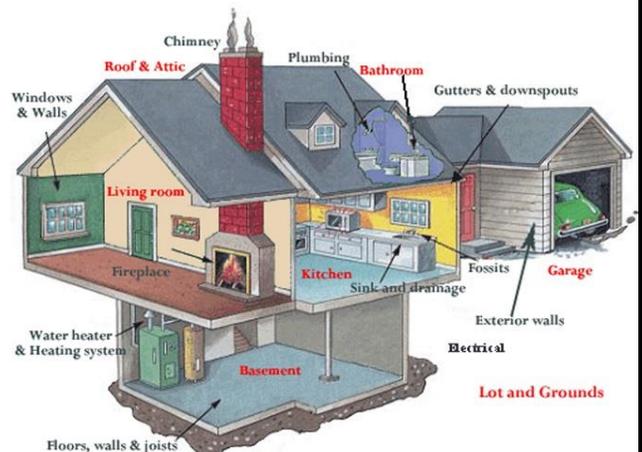
First, the public needs to understand that commissions are legally paid to the listing agent's brokerage, which in turn pays half (usually) to the selling brokerage... Then each brokerage takes their percentage (office fees, rent, MLS fees, and more), then pays their respective agents, buyer's agent and the seller's agent). The split varies based on the company, business model and the agent's level of production... For many agents, after all is divvied up, about 25% of the total commission is common. Then that agent has to remember to withhold money for taxes and social security (paying both halves of SS, a total of 15%, since we are not employees but considered sub-contractors/self-employed)... Most agents make a living, just like everyone else; the difference is the check doesn't come every two weeks, and receive zero benefits or expenses. Real estate agents pay for their own cars, gas, phones, computers, insurance... Plus ongoing education, errors and omissions, memberships to Realtors® organizations, multiple listing services, and lock boxes.

3. Marketing expenses aren't the agent's responsibility

Speaking of things the public thinks a brokerage pays for on behalf of an agent — don't forget the marketing expenses! Yes, the broker does a minimal amount of marketing, and promotes it's brand and has a web site... But, the agent pays for all the good stuff, like drone shots, videos, slide shows, social media exposure... and the really good agents excel at making their clients homes stand out... It takes hours to do twilight photography plus post production in photoshop... all paid for by your Realtor®!!

4. A home passes or fails inspection

An inspector doesn't "pass" or "fail" a home. He or she will provide a report explaining issues along with a summary of the age of key systems such as plumbing, electric, HVAC and the roof along with an estimate of economic life remaining on those systems... Here's the deal: inspectors are hired by the buyer to do an independent and objective evaluation of a property. The reality is they are going to find things — no property is perfect, even with brand new construction homes. There is no secret conspiring happening behind the scenes. If the sellers are concerned about what might be found, the best way to level the playing field is get their own pre-listing inspection before putting the home on the market.



5. Weekends bring out the most serious buyers

Contrary to popular belief, weekends don't usually bring out the most serious and ready-to-buy buyers. Just watch Zillow's latest web series "Open House Obsessed" that follows people who have made a hobby out of going to open houses. **The most serious showings happen during the week. In many markets, it is usually too late to wait until the weekend to look at any properties of interest.**

6. Zillow says, therefore it is

When was the last time Zillow physically walked through a property? pulled comparables? did specific adjustments and established a true value based on true sales? Never! Zillow's Zestimate's can't tell the consumer why the last three sales sold for the prices they did, nor why a particular school is driving people to a specific neighborhood. Even Zillow's CEO, Spencer Rascoff, sold his home for 40% less than the Zestimate showed in 2016!

7. It is better to price on the high side as the seller can always come down

This is one of the most common fallacies in real estate. Sellers want to protect their asking price so they think overpricing it is an effective defense mechanism against selling too low. *Newsflash: overpricing your home often leads to the home sitting and not getting showings, and losing value!* If a home is priced competitively from the beginning, the chances of attracting optimal traffic, and offers, greatly increases. *Price it Right!*

8. When making an offer on a home, you need to start with a low offer

Just as sellers make a classic mistake of overpricing, buyers often make the mistake of wanting to start with a really low offer. Although there is nothing wrong with negotiating, if the home is priced correctly, an unrealistically low offer, *may alienate the seller*, and you won't be taken seriously. Don't be surprised if you receive a very slight counter or no counteroffer at all.

9. Multiple offers give the sellers an advantage

If a seller receives more than one offer and elects to simultaneously counteroffer all buyers, that increases their leverage and the likelihood of selling for top dollar. *Not necessarily!* As a seller, if you play this card wrong, you could end up having the entire situation backfire...Be careful!

10. All agents are the same

The public often lumps all agents into the same bunch and considers them a commodity without really taking the time to study the differences in their approach, presentation and achievements, and how long they have been in the business (experience counts a lot!) As in every profession or organization, there are those who are committed to excellence, devote endless amounts of time and energy into working with buyers and sellers and are highly adept problem solvers. Others simply march to lower standards and do the bare minimum to get by. Although a few photos and minimal listing description may be adequate in the eyes of one agent, another agent can't imagine presenting a listing that wasn't properly prepped for sale with staging, video, a slick marketing campaign with professionally designed and produced collateral for digital and print.



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