

Real estate misconceptions debunked

By Robert Jenson
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Buying and selling residential real estate can be complex and confusing, particularly amid a process rife with misconception. Here are some truths to dispel some common real estate myths:

MYTH: All Realtors are created equal.

TRUTH: Real estate agents vary widely in terms of experience, skill, ingenuity, accessibility and ability to produce results quickly and smoothly, among other key factors. Interview at least three agents and come prepared with a list of questions you plan to ask. What is their track record? How do they market listings? Do they have a team to help show your home or does the responsibility fall on one particular agent? Due diligence is key to finding a representative prepared to work hard and who will be available to answer your questions

along the way.

MYTH: Home inspections should wait until an offer has been presented.

TRUTH: Even before listing a home, sellers should hire professionals to inspect the property, including the roof, pool and other structural elements, as well as for termites and other important buyer considerations. Make ALL repairs before you list the house on the market. Today's buyer is discriminating and has many choices - don't give them a reason to have concerns. A complete list of the completed inspections and repairs should be made available to serious buyers, which will go a long way in expediting the process at large.

MYTH: All negotiations start with a buyer submitting an offer.

TRUTH: Sellers do have ways to kick start a negotiation, such as a "reverse offer." Consider that one buyer who has been back for a second or possible third look, but hasn't pulled the trigger. Make them an offer! Yes you, as the

seller should put something in writing and submit it to the buyer's agent. This will create an opportunity for the buyer's agent to sit down with his or her client and potentially help close the deal.

MYTH: Only home sellers - not buyers - need a real estate agent.

TRUTH: Purchasing a home could be the most important and complex financial transaction you engage in, and going it alone is risky. Indeed, a buyer's agent can save you time, hassle and thousands of dollars. Take time and care when selecting a real estate buyer's agent - find someone you can trust, and that you have a good rapport with.

MYTH: Buyers should wait to secure loan approval until they've found a home they want to buy.

TRUTH: Many buyers want to find the "perfect" home before having their credit pulled, which can backfire when an offer is on the table and time is of the essence. It's wise to get pre-approved for a loan even

before you view your first home. Your credit report may contain inaccurate information that you were not aware of, which can be a time consuming process to rectify. Or, you might not like what loan program you qualify for, or you might qualify for a higher loan value than you thought.

Ultimately, you will need a pre-approval letter with your offer, so do yourself a favor and do this in advance. It's free, after all.

MYTH: There is no real benefit to "shopping" for a mortgage among multiple lenders.

TRUTH: A difference of even half a percentage point can mean a considerable savings over the life of a loan. For example, the difference in the monthly payment on a \$100,000 mortgage at 8 percent vs. 7.5 percent is about \$35 per month. Over 30 years, that's \$12,600. Be a smart consumer and comparison shop for the most favorable mortgage rates and terms.

MYTH: All real estate agents charge the same commission

percentage.

TRUTH: Not all agents - and agent packages - are created equal. From full service agents to discount agencies, make sure you know the type of professional you are hiring and what EXACTLY they are going to do to sell your home. An agent who can professionally market your home above and beyond the MLS listing will increase your exposure within the marketplace, which will lead to a higher selling price and less days on the market. Will your agent incur costs to give your home that visibility? Find out, so that you may take everything into consideration when establishing the commission percent. Despite what an agent might say otherwise, commissions are always 100 percent negotiable.

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