



The Twelve Most Common Real Estate Myths

by Carol E. Levy

1. Brokers Will Always Sell Your Home for the Highest Possible Price

Although the majority of real estate brokers are reputable and will diligently work to sell your apartment for the highest possible price based upon market evaluations, there are other brokers who will price and sell apartments below market for their own benefit. The most prevalent reason for selling properties below their full value is for brokers to achieve quick turnovers and move onto other sales without having to expend much time, energy, and money. In addition, if an apartment is sold quickly below market, a broker may not have to co-broke the sale and so will not have to split a commission.

2. If I List My Apartment With a Broker, That Broker Will Effectively Market My Apartment to Facilitate a Timely Sale

While most professional brokers do their utmost to market and show apartments, resulting in timely sales, unfortunately there are others who fail to put in the necessary time, money, and passion; as a result, properties get less than optimum attention. A responsible broker will quickly stage an apartment, create an effective marketing plan with eye-catching advertising and marketing pieces, continually alert the entire brokerage community of the listing, and be available to show the exclusives at all hours and days.

3. The Most Successful Broker At a Firm is The One For Me

Just because a broker may be the leader in gross sales does not necessarily mean that such a broker will serve one's best interests. Quite often, top brokers will show only their most expensive exclusives, while delegating their assistants to show lower priced apartments. While assistants may be well meaning, they lack the experience and knowledge of a seasoned broker.

4. If My Apartment is Priced Below Market, It Will Be Bid Up To Market Value or Higher

While there are numerous stories of under-priced apartments that have been bid up beyond market values, there are just as many cases where such techniques backfire. Even in a strong market, many prospective buyers will bid under the asking price, and those who bid over the asking price may still not reach a fair market price. Just because brokers may boast that their listings sold over the asking price, does not necessarily mean that the properties achieved true market potential.

5. I Can Effectively Market and Sell My Apartment Without a Real Estate Broker

Even though some sellers assume they can readily handle the sale of their homes, a professional real estate broker has unsurpassed knowledge and expertise than does a non-professional. In addition, most buyers invariably use brokers, so sellers who only deal with principals have far fewer potential buyers.

6. I Can Buy An Apartment Without a Broker

While some purchasers do indeed find homes without brokers, it is far more likely that one will find exactly what one is looking for with the help of a skillful and experienced broker. Real estate brokers invariably have the inside track on listings and exclusive broker search engines, even before the properties are advertised to the public.

7. My Offer Has Been Accepted and The Property Will Be Mine.

Although a buyer may have an accepted offer on a property, until there is a fully executed contract on that home, that person remains in a vulnerable position. It is not uncommon for a seller to accept a later offer at a higher price. Yet, according to the Rules of Disclosure of REBNY, sellers' brokers must encourage their clients to go back to the earlier buyer with the accepted offer and allow that person to increase the offer.

8. The More Money I Put Into My Apartment, The More Money I Will Get Out

Despite the fact that renovations can significantly add to the value of an apartment, one must be careful not to create a "white elephant". If re-sale value is a concern and if one is upgrading in order to flip the apartment, it is wise to consult an expert real estate broker who can offer guidance about which renovations should be undertaken and those that should be avoided. Furthermore, a savvy broker will also be able to estimate how much the price of the apartment will increase based upon the upgrades.

9. I Want to Buy a Co-op, But I Will Not Be Approved By The Board

Though many boards have established onerous requirements for prospective buyers, many others are flexible, even for those who may have low incomes, seemingly inadequate assets, or previous credit problems. Such boards are known for their compassion and creativity in structuring a deal to close.

10. I Want To Buy a Home But Do Not Qualify For Financing

Regardless of whether one has a low income, meager assets, or credit problems, many banks will loan money to those with problematic financial profiles. Not all banks advertise their multiplicity of mortgages.

11. An Appraiser's Valuation of My Home Is Correct

Home owners invariably assume that the value placed on their homes by licensed appraisers are correct; however, appraisers may get it wrong because they are unfamiliar with a particular neighborhood, building, and/or recent sales for comparable properties.

12. I Am Powerless to Change The Strict Rules and Regulations of My Building

Though all co-ops and condos have specific rules and regulations, owners/shareholders can achieve positive changes, if they organize and present their proposed innovations as a unified body, and let their preferences be known to board members. ■

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