

# Home buying tips from the frontline

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Real estate agents play a huge role in one of the most important financial decisions of your lifetime. What better way to be armed with “behind-the-scenes” information, than direct from the source?

The process of buying or selling a home comes with highs, lows and not to mention, drama. That’s why we’ve compiled an arsenal of smart, practical information, secrets no agent will tell you.

For years, real estate agents have preached to sellers that “6 percent (commission) is the going rate.” Falling into that trap is easy, especially if you think it’s the norm and didn’t do your research. This trap can cost you thousands. With the “Big 3” online sites, Zillow, Realtor.com and Trulia, marketing is instantaneous, essentially free and shared constantly across multiple social channels. Since this showcase of your home spreads like wildfire across media platforms, it is critical to have professional photography. Aesthetics are the top component that make potential buyers take the next step to browse through your listing.

Listing price is the



Good photos and a fair market price can help a house sell fast. [DREAMSTIME/TNS]

most important part of any listing. Let’s face it, everyone wants to hear their home is worth the highest price; therefore, the real estate guide book says tell clients the highest possible price and then some if necessary to secure the listing to “lock them in” for six months. That way, after a few months, you can ask them for price reductions, and still maintain the listing.

The real estate street term for this is “buying

a listing” and it is the worst thing a client can do. The home is ultimately worth what the market dictates, coupled with the pending buyer’s mortgage appraisal. The vast majority of transactions involve a mortgage. If the house does not appraise at the sale price, then the sale goes awry, the home becomes re-listed, and perhaps “stigmatized.”

Pricing a house at exactly what it is worth typically yields the

highest sale price in the end, the house will appraise, and sometimes, most importantly, afford the seller the opportunity to choose the best buyer. When multiple people are interested, the price and buyer then come into play. Perhaps you can choose the strongest buyer and get your best price (for example, one buyer has a home to sell, the other does not. One buyer is placing 20 percent down, the other is 3 percent down, etc.). Buyers today are

technologically savvy, and typically ahead of their agent when it comes to home searching. The typical buyer is using one of the big 3 apps on a daily basis, and telling their agent the homes they are interested in visiting. The main point is that the internet has drastically changed this business. Customers know that listing agreements do not have to be for six months; they can be whatever time frame both parties agree to,

sometimes as little as one month. If a client is not satisfied, they simply can walk away from our agreement.

Open houses can be beneficial when the house is priced correctly; however, when the home is priced too high, they become a “make the customer happy ploy.” What does that mean? Very simple, the agent hosting the open house is there, primarily, to acquire potential buyers who have not yet chosen an agent to represent them on a home purchase, not necessarily the home he or she is hosting.

Have you ever been involved in a real estate transaction and heard the words “Oh, you don’t need an attorney,” from your agent? In New Jersey, the entire contract and transaction is geared around attorney representation, and for good reason; it is an enormous transaction to most people. At a minimum, the client(s) should be educated about the potential issues that may arise throughout the process. Moreover, the contract itself will be the point of reference throughout the transaction. Attorney representation is typically less expensive than buyers/sellers think and the ultimate safeguard in your largest investment.

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