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Avoid Costly Home Buying and Selling Mistakes: The Logic in a Local Expert

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Perhaps my costliest mistakes in life were the ones I didn't realize I was making. Buyers and sellers may not realize it, but there is one simple decision that will avoid countless costly home buying and home selling disasters. Work with a local real estate expert.

When I say local, I mean local...like they live and work in the area you would like to purchase or sell in. The nationwide sites have taken local out of the equation. I recently had to contact an agent associated with an online real estate site in Michigan. Has that agent even been in the house they were listing? How could they possibly understand the intricacies of our market?

No one knows the ins and outs of a particular real estate market better than a local real estate expert. They know the personality of the area, the history of the real estate valuations, and the community attributes. They know the challenges of a particular market and how that fits into your individual circumstances as a home buyer or seller. More importantly, they can spot a great deal or an overpriced mistake in an instant. So why are so many people using brokers outside of the area?

In helping an investor purchase a rental property, I came across a home listed \$25,000 below fair market value. I learned the listing agent was the seller's relative who lived and worked in Denver. This out-of-town broker didn't realize that the homes on one side of a particular neighborhood were built by a higher-quality builder and sold for significantly more than the homes on the other side of the neighborhood. The market evaluation was significantly off due to the brokers inexperience in the area. I helped the investor write an offer \$10,000 over asking price and won a multiple offer situation. Despite the property selling over asking price, that seller left \$15,000 on the table.

Occasionally a home sells below market value for various reasons such as condition, or extended days on the market due to multiple price reductions. These homes can sway the evaluations of out-of-town or inexperienced brokers. A local will understand the circumstances of sales in their hometown and can navigate pricing pitfalls to avoid listing homes below their price potential.

Purchasing or selling real estate is one of the largest financial transactions an individual can make. It is absolutely reasonable to ask your broker pointed questions about the areas and types of real estate they are familiar with to make certain you are hiring the right person for the job.

