



## OPEN HOUSE

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WILLIS: Lies, we all tell them. Well, I don't, but when it comes to buying or selling a home, let's just say the truth can really be stretched. Well, we've got a little cheat sheet today to help you keep from getting duped.

Richard Courtney is author of "Buyers are Liars & Sellers are Too."

Richard, good to see you.

RICHARD COURTNEY, AUTHOR, "BUYERS ARE LIARS & SELLERS ARE TOO":  
Good to see you.

WILLIS: All right. You say buyers and sellers just keep making the same mistakes over and over again.

COURTNEY: That's correct. That's why I wrote the book. After the first 200 or 300 transactions, I realized the same mistakes were being made over and over, as buyers and sellers alike try to overstrategize. And they try to see into the psychology of one another.

And I wrote this to explain what people are really thinking on both sides of the deal.

WILLIS: Let's get right to some of these lies.

COURTNEY: All right.

WILLIS: You say buyers and sellers, hey, you can accept counteroffers.

COURTNEY: That's right. Many times a buyer will make an offer that is a lowball, for example, offer, and they say, well, they can always counter. And many times there is no counteroffer coming.

So if they make a really bad offer to begin with, there would be a counteroffer. And on the same time, when a seller receives an offer that should be acceptable, they think, well, the other person expects me to counter. So, therefore, I will. And many times that's the last you'll see of that buyer.

WILLIS: OK. The one I really like here, the basement never leaks. Hmm. True or false?

COURTNEY: Basements always leak at some point and somehow. Count on that.

WILLIS: Exactly. I love that. That's great, because you always get told that, and then it turns out not to be true.

COURTNEY: That's right.

WILLIS: Who says advertising sells houses?

COURTNEY: Sellers think advertising sells houses. If we took out -- and certainly, of course, if we'd advertise on CNN or somewhere, we would absolutely sell the house.

But in most cases, advertising does not actually sell the house. It's usually through networking, through realtors, or people driving through the neighborhood, open houses, or other ways. But there's no way to advertise a house, and there's no proven way to sell a house through advertising.

WILLIS: And this is important, I think. You say truth in lending, not so much.

COURTNEY: Right. Law dictates that any lender must send out a form called a Truth in Lending Statement. And what -- a Truth in Lending Statement really has to cover the lender for the worst-case scenario that could absolutely happen in that transaction.

So people receive their Truth in Lending statements, and they're shocked because the annual percentage rate, APR, is higher than the percentage rate they've been quoted, and that's because the government requires the lenders to add all the miscellaneous fees that are charged into that statement.

WILLIS: You know, I love this. You say everybody expects houses to be priced just a little bit above where they should be, maybe a little 10 percent in there. But is that true?

COURTNEY: That is not true. Normally, when a person lists a house, we look at it in a number of ways.

First, is how long does the seller want to have the house on the market? And if it is for an extended period and they don't care, sometimes the price can be a little higher. But normally, the price is exactly where it should be for that market, for that time period, in that condition.

WILLIS: You say that there are people out there that say that buyers don't need a real estate agent. True or false? COURTNEY: Well, I wouldn't want to go into court and use the other guy's attorney. So that's the way I look at a real estate transaction. I think each side needs to have representation.

WILLIS: Because it's really a conflict of interest, isn't it?

COURTNEY: I think it is. And some -- some companies believe in dual agency or facilitator. But I feel like if the listing agent has gone into that house and told the seller, "I'm going to get you the absolute best price with the best terms that you can receive," and then for the buyer to use that same agent and think that they have an advocate

there, I think, is a mistake.

WILLIS: One of the dirty little secrets of the industry. And you brought many of them out today.

Richard, thank you for joining us.

COURTNEY: Thank you.

WILLIS: Next week on OPEN HOUSE, we're going to tell you how to cheat at cleaning. And we want to hear from you. Send us your cleaning shortcuts, and then we're going to share them with your fellow OPEN HOUSE viewers.

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As always, we thank you for spending part of your Saturday with us.

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Have a great weekend.