

7 Important Tips in Buying NFT [NFT Royalties and Smart Contract Editing]

Engaging in transactions and investments in **NFTs Token's** without sufficient knowledge of the project, the development team, and the smart contract can lead to investment losses.

Depending on the type and field of the NFT project (e.g., gaming or art-related), investors should pay attention to **royalties, smart contract features**, and **whether the contract** is editable.



What should we consider when buying NFTs?

When buying NFTs with the intention of investing, having sufficient knowledge of the product or artwork, the seller, and the specific features of the NFT are among the **important tips in buying NFT** that must be considered.

Important tips in buying NFT:

- ↳ Knowing the **product** and the **seller**
- ↳ Understanding the **types of NFTs** and their **features** (e.g., royalties)
- ↳ The **mutability** of the **smart contract**
- ↳ Paying attention to the **overall trend** of the **cryptocurrency market**
- ↳ Examining the **liquidity** of the NFT token
- ↳ Evaluating the **value** and **rarity** of the token
- ↳ Considering **transaction fees**

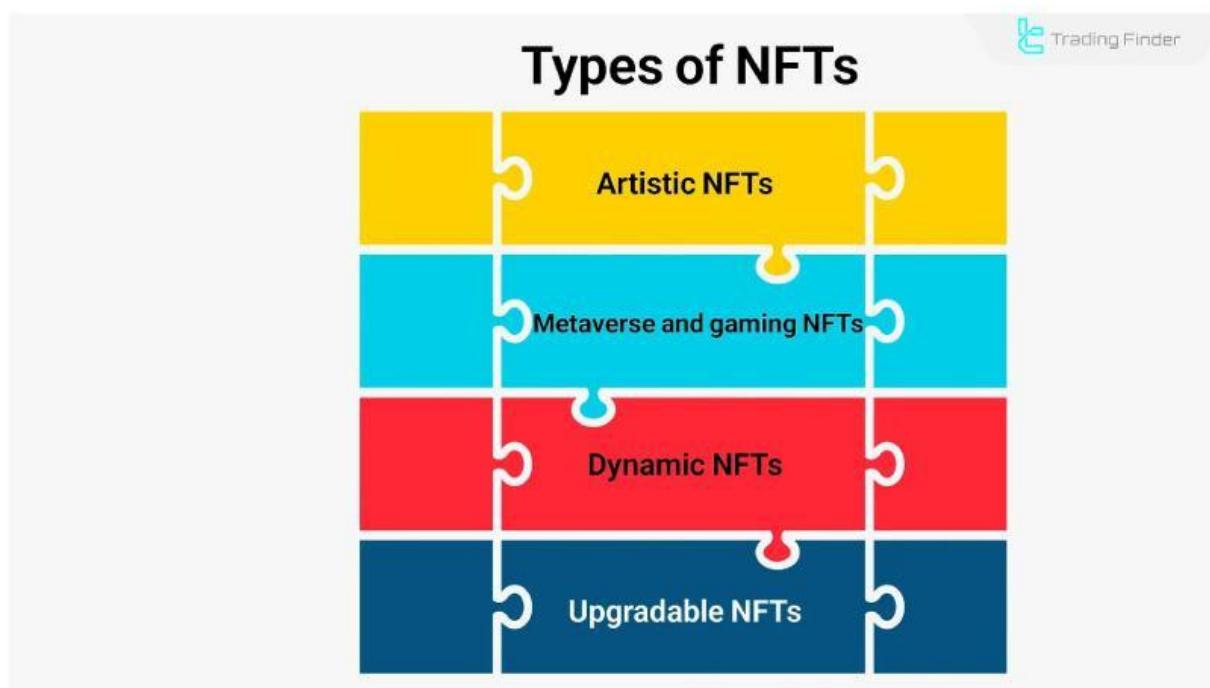
1- Knowing the Product and the Seller

Some **NFT projects are fake**, created by **anonymous opportunists** or **scammers**. In such projects, the development team may disappear after the sale, offering no updates or further development.

Therefore, knowing the seller and the development team is **an important point in buying NFT**, as the development team still plays a role in the NFT's **credibility, price, development**, and **future** updates even after ownership is transferred.

2- Knowing the Types and Features of the NFT

NFTs are categorized into different types, each with unique characteristics. Types of non-fungible tokens include:



Types of NFTs such as artistic, gaming, dynamic, and upgradable are shown in the image

- ◆ **Artistic:** Digital artworks created on blockchain (like musicians' content) that support **royalties** for creators;
- ◆ **Metaverse and Gaming NFTs:** In-game items or assets used in virtual worlds that come in various forms;
- ◆ **Dynamic NFTs:** Their features and data change based on real-world events (like an athlete's performance);
- ◆ **Upgradable NFTs:** Allow developers or owners to manually apply changes.

3- Mutability of the NFT Smart Contract

In some NFT smart contracts, changing features such as **royalties** is possible. This depends on how the contract was coded. Generally, **smart contracts fall into two types:**

- ◆ **NFTs with mutable smart contracts:** In these smart contracts, modifications can be made, but **an important point in buying NFT** is that the developer or contract owner usually makes these changes;
- ◆ **NFTs with immutable smart contracts:** All features like **royalties** are permanently recorded and cannot be changed.

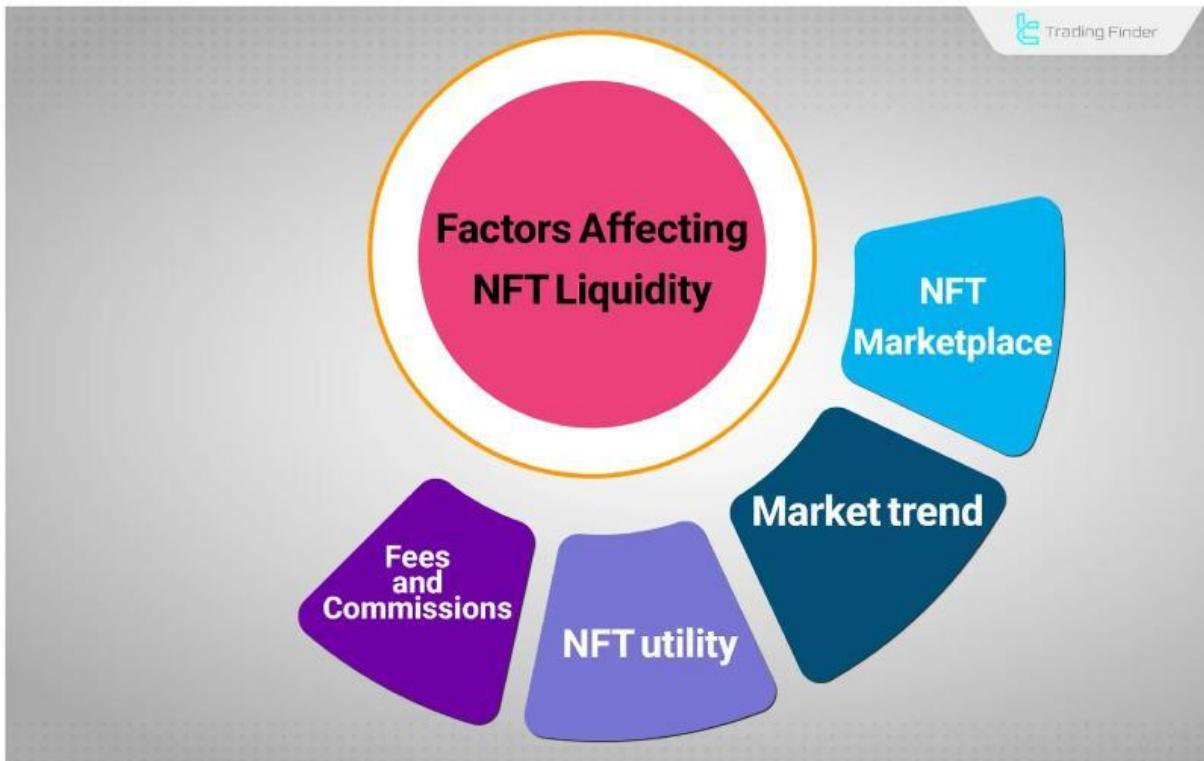
Developers can alter smart contracts; however, if done without proper notice, it may affect the **token's price**. Therefore, if any edits are intended, it's best that this is clearly stated within the contract.

4- Paying Attention to the Overall Trend of the Crypto Market

NFTs are part of the **blockchain** ecosystem and closely tied to the **cryptocurrency market**. The overall market trend significantly impacts NFT prices. So, considering macroeconomic conditions and factors affecting the **fundamental analysis of cryptocurrencies** is also **an important point in buying NFT**.

5- Evaluating NFT Liquidity

One of the lesser-noticed **NFT buying tips** is to evaluate the liquidity of the token. Liquidity depends on the trading platform, supply and demand, transaction fees, and blockchain network.



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Factors influencing NFT liquidity include:

- ⚡ **NFT Marketplaces:** Popular markets like **OpenSea** and **Rarible** with higher transaction volumes offer greater liquidity;
- ⚡ **Market Trends:** NFT collections that trend at certain times (e.g., BAYC apes) have higher demand and liquidity;
- ⚡ **NFT Utility:** NFTs with practical use—like metaverse or blockchain gaming items—usually have higher liquidity;
- ⚡ **Fees and Costs:** Lower fees positively affect liquidity.

6- Evaluating Token Value and Rarity

NFT buying tips are not limited to price and token type; assessing the rarity of the token using rarity analysis tools like **Rarity Tools** or **NFT Stats** is also one of the **important tips in buying NFT** when determining its actual value.

The value of a non-fungible token depends on the **popularity of the creator collection, transaction history, and utility**.

Key factors in evaluating NFT value include:

- ⚡ **Collection Popularity:** The NFT team's **updates, execution, partnerships, and community** engagement can strongly affect token value, along with their **popularity** and **social media activity**;

↳ **Transaction History:** Rising prices may signal **value growth, high trading volume** suggests **strong demand**, and **celebrity** involvement can **influence value**;

↳ **Token Utility:** Some NFTs have **practical applications** beyond artistic value—such as **providing access** to exclusive communities or events. Others offer functionality within **blockchain games** or **metaverses**;

↳ **Rarity Evaluation:** **Rarity** is one of the most important **price determinants**. Factors include **total supply** and **unique features** (e.g., color, design). **Rarity.tools** ranks NFTs based on their rarity level.

7- Considering Transaction Fees

When buying NFTs, the buyer must pay various fees including network transaction fees, platform fees, and wallet transfer costs.

↳ **Network Transaction Fees:** Depend on the **blockchain**, network traffic, and transaction speed. If a buyer wants faster confirmation, the fee will be higher;

↳ **Platform Fees:** Platforms charge fees from both the **buyer** and **seller**;

↳ **Wallet Transfer Fees:** These vary based on the used blockchain. For instance, **Ethereum** usually has **higher fees**.

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