
Priced to Sell by: Carla Hill

It has long been a motto of real estate, and the saying goes, “location, location, location.” It’s what sells a property, they say. But recent times have brought to light that the real deciding factor on how fast, or even if, your home sells all comes down to price.

It’s not that buyers are attracted by shiny, new things, but in a sense they are. When a home is newly listed it gathers a lot of interest. The listing agent may send out emails, webcasts, and virtual tours. They launch their entire marketing program. Even the MLS indicates the home as “newly listed.” After a few weeks, however, if no momentum has been built, the home will then face a much steeper challenge on the road to selling.

First, homes that have been on the market a considerable time lose their competitive advantage. A buyer may see a home hasn’t moved, and may come in with a low offer price. Depending on how desperate the seller is, they may feel obligated to take this offer.

Second, no one wants their home to sit on the market. It can interrupt plans to move and to buy. One of the best game plans is to price your home to sell. This means taking a good, hard look at the area comparables.

How much have homes been selling for in your area? How does your home compare in terms of amenities? Your REALTOR® can be invaluable when it comes to correctly pricing your home. Seller’s judgment can be easily prejudiced by emotional attachment to the home and hopes for certain profits.

If your area is experiencing a strong buyers market, that means you need to be even more competitive. You may need to price your home a little lower than you had hoped for. If you are in a seller’s market, you can generally ask for a bit more in the asking price.

One tried a true method a REALTOR® will use to snowball interest in a home is to actually under-price it. If your home is in a desirable location and you undercut the competition, you may find yourself fielding multiple offers. How does that work?

A group of buyers are all looking for a home in your lovely neighborhood. Comparable homes to yours are priced around \$250,000. So, you price your home at \$220,000. Buyers jump at the chance to get such a bargain/deal....buyers being the operative word. This can create a bidding war between buyers who have fallen in love with your property. In many cases, the final sale price can end up being more than you would have gotten had you listed at a higher initial price.

Have your upgrades priced you out of the competition? Renovating your home with upgraded fixtures and granite counters can be very appealing. But if homes in your neighborhood are basic models with Formica counters and fewer fancy upgrades, you may have a hard time finding a buyer who will shell out more. This is one way location is very important. You must make sure you aren’t overpriced for your location. Depending on your area, you may have to eat the costs of some of your previous upgrades in order to get a sale.

And finally, are you being greedy? Sometimes people have a magic number in their head of the profit they’d like to make by selling their house. They already have that money spent on the upgrades and toys they’ll buy for their next home. But selling is a time to be realistic.

Rely on your real estate agent to guide you in pricing your home, and good luck selling!

