

Pricing Your Home To Sell

Information from “Pricing Your Home To Sell A Homeowners Guide to Selling a Home for the Most Money in the Shortest Time” by David S. Knox, CRS

Questions to help you analyze your pricing strategy

- Am I selecting a REALTOR on services or price?
- Is the local market rising, falling or staying even?
- Is my opinion of value based on the actual most recent neighborhood sales prices?
- How many homes in this area are competing against mine right now? How does mine compare?
- Have any neighboring homes been on the market too long? Why?
- Is my home consistent with, larger or smaller than the surrounding homes?
- Which improvements have I made since purchase that will actually increase value? Which improvements won't?
- Are my financial needs influencing my asking price?
- Am I willing to price right and stand firm?
- Are the benefits of moving important enough to price my home at the market?

Benefits to Proper Pricing

1. **FASTER SALE** When your home sells faster you save carrying costs, mortgage payments and other ownership costs.
2. **LESS INCONVENIENCE** If you've moved before, you know the energy it takes to prepare for showings, keep the home clean, make child care arrangements and alter your lifestyle. Proper pricing reduces this.
3. **EXPOSURE TO MORE PROSPECTS** At market value, you open your home up to more people who can afford the price.
4. **INCREASED SALESPERSON RESPONSE** When salespeople are excited about a home and its price, they make special efforts to contact all their potential buyers.
5. **BETTER RESPONSE FROM ADVERTISING AND SIGN CALLS** Ad calls and sign calls to REALTORS turn into showings when price is not a deterrent.
6. **ATTRACTS HIGHER OFFERS** When a home is priced right, buyers are less likely to offer low out of fear of losing a good home.
7. **MEANS MORE MONEY TO SELLERS** If a home is priced right the excitement of the market produces higher sales prices. You NET more both in terms of actual sales price and in less carrying costs.

Reasons for Overpricing

1. **OVERIMPROVEMENT** Improvements should be made for enjoyment, not just resale. You cannot add an item to a home, select it to your style, use it, then expect a buyer to pay the original cost
2. **NEED** An owner's need for money does not increase the value of the home
3. **BUYING IN HIGHER PRICED AREA** Values are location specific. High Values in the destination do not increase the value of the existing home.
4. **ORIGINAL PURCHASE PRICE HIGH** Chances are you paid market value. It's not a price that was too high, but a market that has experienced subsequent change.
5. **LACK FACTUAL DATA** Base your opinion of value on recent documented sales prices.
6. **BARGAINING ROOM** Buyers may offer low, but they will do that at ANY price. It is easier to negotiate up to fair market value than to an inflated price.
7. **MOVE ISN'T NECESSARY** Even if the move isn't urgent, it is important to price correctly to preserve your marketing opportunities when the move becomes urgent.

Couldn't we try for a couple of weeks?

The majority of prospect activity on a new listing occurs in the early period of marketing. This happens because REALTORS maintain an inventory of active prospects that have been cultivated over time. When a home is newly listed, REALTORS arrange for them to see it. Once this active group has seen the property showing activity decreases to only those buyers new to the market. For this reason it is important that sellers have their home in the best condition and at the best price at first exposure to the market.