

Pricing a Home Properly is Key To Selling in a Buyer's Market



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It is very difficult for sellers to understand this sometimes, **but buyers are the ones that determine the value of a home.** What a buyer is willing to pay for your home based on comparing your home to others market and homes that your home to others currently on the market and homes that have recently sold determines the value. **It has nothing to do with what you paid for your home, how much money you have put into your home remodeling it, or how much you NEED to get out of it.**

In our current real estate market, the buyers have a lot of choices. Buyers today are more value conscious than ever, and with the wealth of information at their fingertips on line, they are able to do their own comparisons, and they can determine very quickly if a home is overpriced for today's market.

Ironically, **overpricing your home can be the single most harmful factor to significantly lowering your final sales price.** New listings generate the most excitement on the market, and when buyers and Realtors compare it to other homes that a buyer wants to look at, they do one of two things - they quickly rule it out, or they use an overpriced home to justify the price of another home that is correctly priced.

Buyers and Realtors use four indicators to determine value: location, square footage, condition and age. Pricing your home correctly from the beginning, and making fast adjustments in your price if you have missed the mark is critical, because buyers do not have a positive opinion of homes that stay on the market longer than the area average.

When determining your asking price you should consider homes that have recently sold in your area, and homes that are similar to yours. No two homes are identical, but having a clear understanding of what has actually sold is the first step in establishing your asking price. You should also look at the current active listings. This is your competition, it doesn't mean that is what your home will sell for, but this is often an indicator of what your home won't sell for.

Pricing your home right from the very beginning will create excitement, generate more buyers setting appointments, and always leads to a quicker sale for a higher price. Always keep in mind that there is no magic formula for determining an appropriate asking price on your home, and it can change overnight. If your neighbor down the street with a similar home decides to reduce their asking price, then it does affect whether you are overpriced or not. **Be ready to adjust your asking price** as the market changes. You must stay ahead of the curve and strategically position your asking price against the competition. That is the only way to stay competitive in a buyer's market.

The old saying, you have one chance to make a good first impression holds true in real estate too. **Don't lose a potential buyer by pricing your home higher than it should be** to "test the market." You will quickly find yourself chasing the market, and losing that valuable time when a home is newly listed and fresh on Realtors' minds. **Overpriced homes in a buyer's market, like spoiled milk, don't get better with time.**