

# **PRICING YOUR HOME**

Setting the proper asking price for your home is the single biggest factor that will determine the success or failure of your home sale.

The consequences of making the wrong decision are painful. If you price your home too low, you will literally give away thousands of dollars that could have been in your pocket.

Price it too high, and your home will sit unsold for months, developing the reputation of a problem property (everyone will think that there is something wrong with it).

Failure to understand market conditions and properly price your home can cost you thousands of dollars and cause your home not to sell... fouling up all of your plans.

## **I Won't Let This Happen To You!**

Utilizing the latest computer technology and my in depth knowledge of the market, we will analyze current market conditions in combination with your personal time requirements to identify the correct price range for your home.

*You can't afford any "guesswork" in this critical step!*

# PRICING GUIDELINES

- What you paid for your property does not effect its value.
- The amount of money you need to get out of the sale of your property does not effect its value.
- What you think it should be worth has no effect on value.
- What another real estate agent says your property is worth does not effect its value.
- An appraisal does not always indicate what your property is worth on the open market.

The value of your property is determined by what a ready willing and able buyer will pay for it in the open market, which will be based upon the value of other recent closed sales. **BUYERS DETERMINE VALUE!!**

DO NOT automatically list with the agent that gives you the highest price. Consumer Reports, July, 1990 stated...

*“Expect the agent to suggest a price range, but don’t let that frame you in. Be aware that some devious agents will, at first, suggest a very handsome price. Then, after they have the listing and the house hasn’t sold, they’ll come back with a pitch to lower the price.”*

# **BENEFITS OF PROPER PRICING**

- **FASTER SALE:** The proper price gets a faster sale, which means you save on mortgage payments, insurance, and other carrying costs.
- **LESS INCONVENIENCE:** As you may know, it takes a lot of time and energy to prepare your home for showings, keep the property clean, make arrangements for children, and generally alter your lifestyle. Proper pricing shortens market time.
- **INCREASED SALESPERSON RESPONSE:** When salespeople are excited about a property and its price, they make special efforts to contact all their potential buyers and show the property whenever possible.
- **EXPOSURE TO MORE PROSPECTS:** Pricing at market value will open your home up to more people who can afford it.
- **BETTER RESPONSE FROM ADVERTISING:** Buyer inquiry calls are more readily converted into showing appointments when the price is not a deterrent.
- **HIGHER OFFERS:** When a property is priced right, buyers are much less likely to make a low offer, for fear of losing out on a great value.
- **MORE MONEY TO SELLERS:** When a property is priced right, the excitement of the market produces a higher sales price in less time. You NET more due to the higher sales price and lower carrying costs.

# **DRAWBACKS OF OVERPRICING**

- **REDUCES ACTIVITY:** Agents won't show the property if they feel it is priced too high.
- **LOWER ADVERTISING RESPONSE:** Buyer excitement will be with other properties that offer better value.
- **LOSS OF INTERESTED BUYERS:** The property will seem inferior in amenities to other properties in the same price range that are correctly priced.
- **ATTRACTS THE WRONG PROSPECTS:** Serious buyers will feel that they should be getting more for their money.
- **HELPS THE COMPETITION:** The high price makes the others look like a good deal.
- **ELIMINATES OFFERS:** Since a fair priced offer will be lower than asking price and may insult the seller, many buyers will just move on to another property.
- **CAUSES APPRAISAL PROBLEMS:** Appraisers must base their value on what comparable properties have sold for.
- **LOWER NET PROCEEDS:** Most of the time an overpriced property will eventually end up selling for less than if it had been properly priced to begin with, not to mention the extra carrying costs.