

8 Proven Strategies For Serious Sellers To Price Their Home Right Today

As real estate professionals, we know the single most important factor in selling your home today is price. With so many homes on the market now, setting the “right price” is critical.

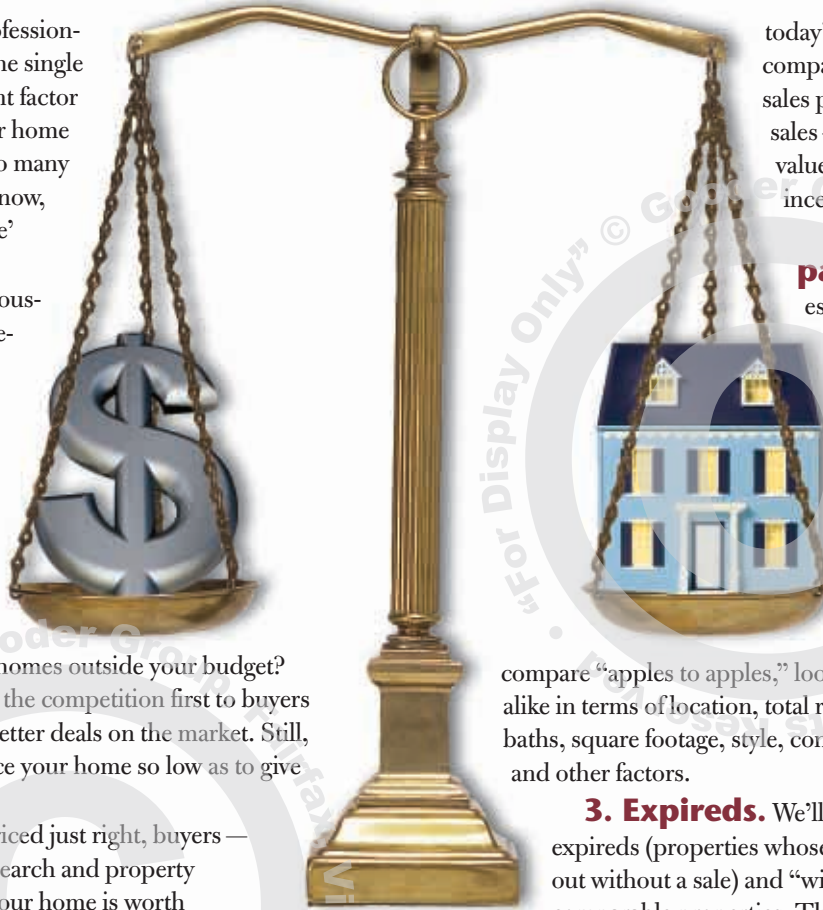
During the past housing boom, some homeowners priced their properties aggressively — well above market value. That was yesterday. Today, overpricing simply turns away buyers who could otherwise afford your home.

After all, why look at homes outside your budget? Overpricing also sells the competition first to buyers who know there are better deals on the market. Still, you don’t want to price your home so low as to give away your equity.

If your home is priced just right, buyers — armed with online research and property listings — will know your home is worth what you’re asking. Ultimately it is the market — not the seller — that determines today’s right price.

So, how do you set a realistic, right price? Here are eight inside tips serious sellers can use to price right in today’s market:

1. Recent sales. In this shifting market, using sales within the last three months, sometimes six months, is important. “Old” records do not reflect



today’s market. The best comparison is to look at sales prices of actual closed sales — factoring in the value of any seller-provided incentives and subsidies.

2. True comparables. As real estate professionals, we compare your property with similar, nearby properties. We call these comparables, or “comps.” Using *true* comparables is key to setting the right price. Specifically, we’ll

compare “apples to apples,” looking at homes that are alike in terms of location, total rooms, bedrooms, baths, square footage, style, condition, age, lot size and other factors.

3. Expireds. We’ll also check prices of expireds (properties whose listing contract ran out without a sale) and “withdrawn from market” comparable properties. These properties typically were overpriced, and the market is indicating the listing price was higher than buyers are willing to pay. Expireds provide an excellent ceiling indicator of what price is too high.

4. Pending sales. When price information is available, we may use pending sales (contracted but not yet settled or closed escrow), because these properties offer a trend indicator to what prices active sellers

Time No Cure For Overpriced Homes

Even in buyer’s markets, homes are selling — but not the overpriced ones. Why? In real estate, we call it the “Cream Principle.”

Every month the best properties sell — those with the best price, best condition, best terms, best location. They are the “cream” homes that rise above the other homes for sale and are snapped up by today’s buyers who recognize value.

Unfortunately, waiting one’s turn for “cream” properties to sell first rarely works, because new listings constantly enter the market. These new homes for sale are typically priced based on what sold in the previous month (or months) — and they are positioned to beat the unsold properties and expired listings that buyers have already shunned.

To be a serious seller in today’s market means giving your home a price position that places it among other “cream” properties — the best values in the neighborhood.

and buyers are agreeing to right now. Serious sellers realize some pending sales fall through, and thus do not become true comparables.

5. Active listings. Only closed sales truly reflect what buyers in today’s market will pay. What other sellers are asking has little relation to the value of a serious seller’s property. Using other listings as a guide, however, is a smart way to position your property to beat the competition to the right price, in the right condition and with the right terms.

6. Appraisal. Another approach is to invest in a paid professional appraisal of value. Although a seller-paid appraisal is often unnecessary, it can be an effective strategy in a situation where the seller wants to list “under appraisal” to position a property as distinct

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