

Pricing your home correctly is the single most important element to getting it sold. Price too low, and you leave money on the table. Price too high, and your home languishes like stale bread. Here are two of the worst ways to price your home, and two of the best strategies we use to ensure our sellers make more, and sell faster.

THE WORST STRATEGIES

“I’VE GOT TIME”

You may have time, but buyers (the folks that establish price) perceive long days on market as problematic. The longer a home is on the market, the stronger the likelihood that you will invite lowball offers. I listen very carefully to homebuyers during showings and open houses. The first question they ask, almost without exception is, “how long has it been on the market”? They ask for one simple reason; they’re assessing their negotiating position. The chart below illustrates the mindset of buyers relative to a home’s days on market.

“ADDING IT UP”

Sometimes sellers arrive at the price of their home by an unknowingly faulty equation. First, they start with what they paid for the house. Then, they add the cost of updates or repairs made to the home plus their broker’s fee. Finally, they top off the price with some amount of appreciation or profit. Unfortunately, buyers and lenders don’t follow the same valuation strategy. Setting the price for your home is entirely reliant on the current market. This strategy often leads to overpricing, longer days on market and ultimately a lower sale price than if it would have been priced accurately from day one.

THE BEST STRATEGIES

“THE COMPARABLE SALE”

Let’s pretend you are your own home’s potential buyer. You, like all savvy buyers, will have done your research by looking at what similar homes have sold for most recently. These recent sales are an important indicator what price your home may sell for in your community. However, it’s important to note that seasonality and fluxuating demand can affect pricing from month to month. Consulting with a professional Realtor will help make sense of the current market climate.

“BRACKET YOUR COMPETITION”

These are the homes that are currently on the market and highly likely that the buyer of your home will have considered them too. When pricing your home against the competition its important to be honest. Objectively evaluate the location, updates and size of your competition. Price your home just below the most similar home on the market. This strategy creates a sense of urgency and perceived value that will trigger an offer.

Still not sure how much your home may be worth? Let’s chat!

Email essamteam@shorewest.com for a free, no commitment necessary home valuation.