

Don't Make the Mistake of Overpricing Your Home

Pricing matters. When you decide to sell your home, one of the most important decisions you'll make is your initial listing price. Of course, you want to get as much for your home as buyers may be willing to pay. However, when determining the price, don't make the mistake of overpricing. It's an understandable mistake, but one that could prove costly if it slows down the sale and/or makes other homes look like a good value by comparison.

One trap many sellers fall into when deciding a price is basing it on emotion. After all, your home has been special to you and your family. You've perhaps made changes and improvements over the years. But you need to ask yourself: how important are those changes to a potential buyer? How up-to-date are the improvements? It is easy to think your home is worth more than your neighbor's or more than the current market may support. But, if you overprice your home, you may attract the wrong buyers—buyers who will compare your home to other homes within the same price range and walk away disappointed. Some of those other homes may have more amenities or be in better condition. At the same time, you may eliminate a pool of potential buyers who are shopping for homes priced in the range of your home's true market value.

Another challenge you face with overpricing is less initial traffic and diminished interest. Generally, a home receives the most activity during the first weeks its on the market. If your home is priced more than similar homes in your market, it may discourage potential buyers who believe they can get a better

value somewhere else. In addition, real estate professionals tend to not guide qualified buyers to overpriced properties. And, the longer your home stays on the market, the more buyers may begin to reason that there is something wrong with the property.

If you overprice your home with a thought of using a "price high then drop" strategy, you run into the same risk of buyers believing that something is wrong with the property--or that you are desperate to sell. Eventually the property may sell, but at how much of a loss--especially if you have purchased another residence and now have to cover two mortgages and pay ongoing expenses? Overpricing can also result in fewer offers. For various reasons, buyers may feel uncomfortable submitting a low bid when there's a considerable difference between the market value and selling price. And, if you were to accept a bid at an inflated price, your buyer may face financing problems, because an overpriced house will not appraise for the selling price.

What can you do to ensure you're not overpricing your home? Stick to the facts. You may want to hire a real estate appraiser for an objective unbiased estimate. Then consult with a real estate professional who can help you determine true market value based on a comparable market analysis. The key is to work with your real estate professional to price right and create a strategic marketing plan that creates excitement from the moment your home debuts on the market.



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Don't let the temptation to overprice keep you from your best chance of getting the best price, quickly.

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