

EFFECTIVE PRICING STRATEGIES



Selling a home at the highest possible price in the shortest amount of time is the goal of most home sellers. This can be achieved by properly positioning your home in the market. Keep in mind factors outside your control such as:

- Is the market is trending up or down?
- Are you placing the home on the market in the dead of winter or in the spring?
- Are there employers in the area that are experiencing lay-offs?
- What are homes selling for in the area?
- How long are they taking to sell?
- Are foreclosures affecting your neighborhood?

Determining the appropriate asking price requires careful consideration. Market forces are the primary factors in determining your home's value - not how much you need for a down payment, or how much you have invested in your home. A smart seller knows that although only one person sets a price, two people, a seller and a buyer make a sale. Keep in mind it is easier to get a full-price offer on a well-priced house than a low offer on an over-priced house.

SETTING THE RIGHT PRICE

When a home is priced correctly, most will sell within 95-97 percent of their asking price. When setting a price for your property, the listing level must strike a balance between your goal to achieve the best possible return and the buyer's goal to make a good investment.



CHECK OUT THE COMPETITION

On average, buyers look at approximately 12-19 properties before making an offer. As a result, they gain a solid understanding of the market and will compare your property against its competition. If your asking price is not in line with the prices of similar available properties, buyers won't consider your home a good investment. Ask your agent to show you your competition.

RESEARCH RECENTLY SOLD PROPERTIES

Buyers will ask their agent about recent home sale prices in your neighborhood. If your price is not in line with recent sale prices, buyers will not consider purchasing your home, and may not even take the time to look at your home. Additionally, these recent comparable sales will be used by the buyer's bank's appraiser and your home must appraise for the sale price.



ACTIVITY VS. TIMING

When a property is first listed, it generates a very high level of interest from agents and prospective buyers. This interest dramatically decreases over time. It is critical that your property be accurately priced from the beginning in order to take advantage of the initial peak of interest and activity.

DOES IT MATTER HOW LONG MY HOUSE HAS BEEN ON THE MARKET?

Professional appraisers sum up their entire body of knowledge in three words: "Buyers make value." Your home is worth as much as a buyer will pay for it. If your home has been on the market for months, it's a clear message that the property may not be worth what you're asking for it.

This is particularly true if there haven't been many prospects coming to see it. There's no point in saying, "We simply can't sell our house." Anything will sell if the price is right.