

Hard to Recover from Over Pricing a Home

At long last spring is at our doorstep and once again it's a good time to remind our readers that there are no second chances when it comes to pricing your house right the first time.

A realistic asking price is key to selling your home quickly and for top dollar. After the first two or three weeks of showings, the newness of a home's appeal begins to dwindle. It happens that fast!

No two agents are likely to price a property exactly the same but in principle all Realtors use the same method of searching out comparables and market statistics to arrive at a range of value. Keep in mind that every house is worth in a range, depending on the seller's urgency to sell and the buyer's urgency to buy. When doing a valuation, we look at similar homes that are listed, expired, cancelled and sold, comparing apples to apples whenever possible. We will focus on similar styles located in adjacent neighborhoods comparing similarities such as square footage, age and internal and external amenities, adjusting pricing when need for such things as lot size variances and upgrades.

If you decide to have two or three Realtors in to give you an Opinion of value, theoretically they should be very similar. Sometimes however they are not. If that happens, it's important that you don't base your decision on the highest opinion of value you receive. The drawback of starting too high and then reducing your price at a later date is that it will likely take longer to sell and you actually end up helping market and even sell, other similar homes. Realtors would thank you if they could.

You should be presented with an Opinion of Value that shows you similar homes that have recently sold, as well as homes that are your current competition. Sometimes it helps to put your buyer hat on. Ask yourself why a buyer should prefer your home over others? Keep an open mind and check your emotions at the door. This will help you put your best foot forward because you won't get a second chance to make a great first impression.