



REAL ESTATE WITH CANDY

Selling Your Home Starts With The Right Listing Price...Tips To Get You There.

Today's home sellers have a hard row to hoe. Home values have dropped, the market is flooded with tough competition and even if a buyer does come along, a record number of deals fall through. And on top of that, they face the age-old conundrum of having two seemingly conflicting aims: 1). They want to get their homes sold fast, and 2). Sellers also want - and need - to squeeze every single possible dollar out of it.

While it's tempting to price your place on the high side and 'test the market' or 'negotiate down,' overpricing your home can actually deter buyers, causing your home to lag on the market and eventually even expose you to the risk of being perceived as desperate, receiving lowball offers.

Here are 5 'cures' to the temptation to overprice your home, all of which can help you max out the chance that your home will sell.

1. Check the Comps! "Comps" is real estate lingo for comparable sales - the nearby, similar homes that have recently sold. You might think that your taste level, aesthetic style and home maintenance practices are vastly superior to those of your neighbors - and you might be right. But this will be the single largest purchase your home's eventual buyer will ever make, and trust me - they will be doing the research. The small contingent of urgent and qualified buyers who are active on today's market do not want to overpay for a home, and most will view your home as overpriced and not worth the hassle (or the haggle) if it is

out of whack with the recent sales prices of similar homes.

Similarly, appraisers will use these numbers when figuring out your home's value. Even if you do get an offer at a higher-than-justified price, if the buyer's appraiser finds that your home is overvalued compared to other nearby recent sales, it can cause major delays in your buyer's mortgage process - or derail it altogether.

Work with your agent to find and evaluate the recent sales in the area, and to ensure that your home's list price makes sense vis-a-vis the comps.

2. Get inside the minds of the local home buyers. The vast majority of buyers - over 90 percent - start their house hunting online. And what most of them do is type in a price range, a range of bedrooms and bathrooms and a geographic area, then spend dozens of obsessive hours perusing hundreds of listings.

Given the flooded market and buyers' busy lives, many will screen your home off their interest list in a New York minute if it seems overpriced from its online listing. If that one-inch picture and the number of beds, baths and square feet either (a) doesn't make it into their search results because the price is so much higher than what most local buyers want to spend on a home with those criteria, or (b) seems underwhelming, for the price, compared to the other online listings of similar homes, prospective buyers will never even make it into your home, and all your stunning staging and crave-able curb appeal will never have the opportunity to work their magic.

Local agents have an inside track on what local buyers care about and what they will and will not spend. Talk to your agent about it, but don't forget to actually listen to and consider what your agent has to say! If you don't trust what an agent is telling you about where you should list your home, talk to several agents - if the consensus is a recommended list price range lower than what you had in mind, that's a sign you should reconsider.

Also, search for similar homes to yours on Trulia, to see how it would stack up against similar listings online at the price range you have in mind. That's where local prospective buyers will see it (and screen it in or out) first.

3. Visit competing Open Houses. Buyers do not shop for homes in a vacuum. They're out there looking at dozens of homes - or more - to make sure they're (a) getting the best deal possible, and (b) not missing 'the one.' So, while viewing a thumbnail image of your competition and seeing the list prices of other homes online is informative, it is even more useful to walk through the actual properties with which your home is competing, in living color.

Before you put your home on the market, take a few hours and visit nearby Open Houses. This exercise is the most vivid way to get a reality check about what you're up against and what your home's strengths and weaknesses are compared with the other homes buyers will see, which will go a long way in getting you to the right asking price. Even if you are unpleasantly surprised at how nice the neighboring homes are at low prices, taking this information in before you list your home is much less painful than waiting months for the market to give you this education (in the form of no or uber-low offers).

4. Get an inspection - in advance. Home buyers have long used the home inspection as a

negotiating tool to get the seller to come down on the sale price mid-stream. Get ahead of the game by getting your own inspection(s) - talk with your agent about which ones are appropriate - and getting the skinny on your home's condition before you list it. Keep in mind that you will likely need to provide any written professional inspections you obtain before listing your home to the buyer under your state's real estate disclosure laws.

You might be able to repair some things at relatively low cost and include the recent improvements in your marketing. Alternatively, you can set and negotiate pricing based on any condition issues or needed repairs you want to pass down to the buyer. This empowers you to get to a final price that aligns with market conditions and the condition of your home without taking massive mid-escrow hits on pricing. It also empowers you to offer a discount for needed fixes up front, when the price break has the most power to help attract bargain-seeking buyers.

5. When in doubt, go low. An overpriced home, in most cases, will cause a lot more problems in your real estate journey than an underpriced one. Think about it: an overpriced home will just sit on the market with little or no buyer interest until the seller cuts the price. And many interested buyers just sit, waiting for that price cut, seeing it as a cue to make an even lower offer.

Now, consider the opposite end of the pricing spectrum: you start with a lower price than you want, but one that is supported by the comps in your market - or even goes a tad bit lower than recent homes have sold for. Lots of buyers are attracted to your house, in part because it looks like a great value for the price. You end up with multiple offers, which gives you the upper hand in negotiating a higher price.

The moral: if you aren't sure about what price to place on your home, go a little bit lower than the recent comps sold for. Insiders know from experience that you'll sell your home faster this way - and at a better price than if you over-price it out of the gate.

These steps can help you get out of your own way, get a bird's eye view on the market and see your home as buyers will see it. And that's a reality check that can make the difference between selling your home and not.