

# Over Pricing Your Home, the #1 Mistake Sellers Make

*Pricing a home appropriately is an art and a science. Be conscious of the similarly priced homes in your neighborhood, what are they selling for? Price for the market you are in. Keep up with market trends, and call your Realtor® for the best advice...* Overpriced homes kill any sense of buyer urgency and take much longer to sell, which then significantly reduces value in buyers' minds: *“There must be something wrong with it if it hasn't sold by now.”* It almost always eliminates the possibility of competitive bidding!

*It's very common to receive multiple offers – often above list price – on an appropriately priced home vs. an overpriced home, in a seller's market, which we have been in for a few years.* Just because inventory is low, overpricing your home could cost you plenty! It is so important to price according to

the homes actual, and *even better to price slightly under value* based on neighborhood comparable sales.

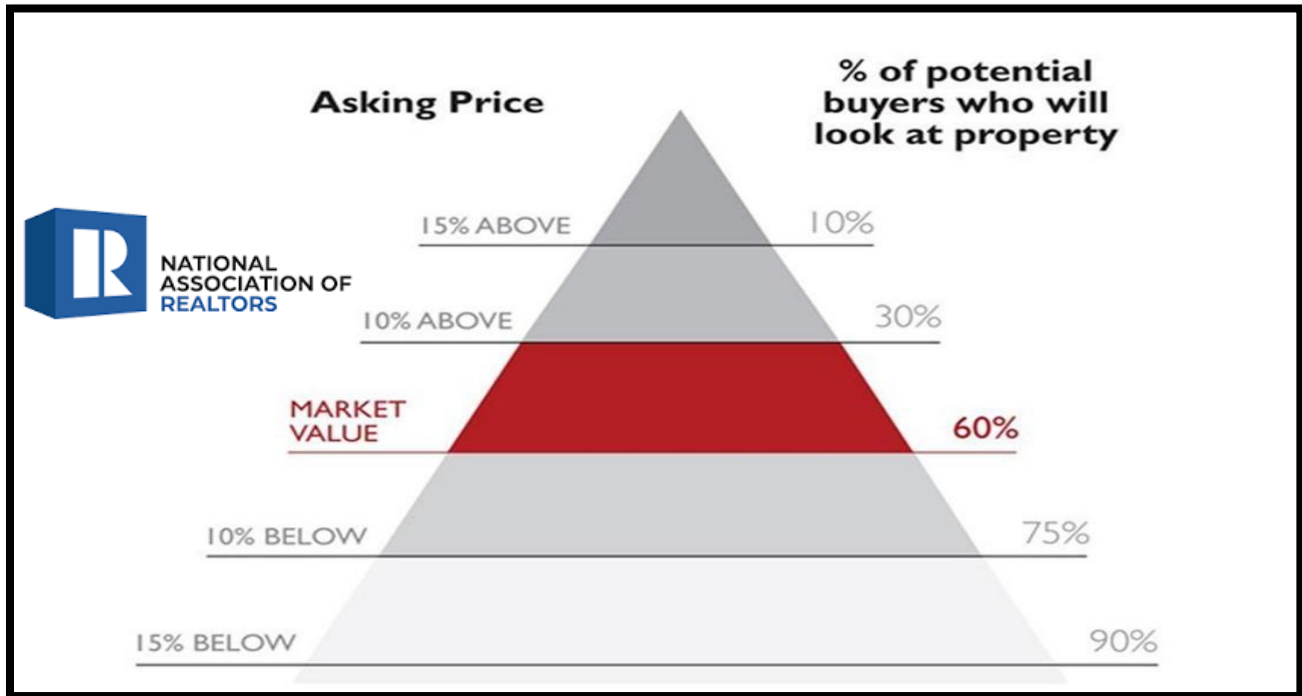


1. **Pricing your home too high can scare off buyers.** Most buyers are working with a real estate agent, and most agents can tell right away if a home is overpriced. Agents will look at comparable homes in the area and if your home is priced significantly higher than those, it will throw up red flags. Buyers don't generally like to make offers on overpriced homes, *they certainly don't want to offer more than they think it is worth, but offering too low is out of the question, as they might offend the seller. They assume that if the seller was actually willing to take less, they would have priced*

*it for less to begin with.*

2. **Your home will take significantly longer to sell if it is overpriced.** In real estate, time is your enemy. One of the first questions a buyer's agent will ask, is *'how long has this property been on the market?'* Even if you are in no rush to sell your home, or think that you can drop the price later, *please be advised that it is unwise to let a property accumulate days on the market.* Statistically speaking, a listing sees four times the amount of traffic in the first two/three weeks of being on the market than it will for the duration of its time on market. This is why, these first 2/3 weeks are critical! If your home is priced too high, you risk missing out on that initial traffic surge, resulting in the home being on the market for longer than it needs to be.

3. **Buyers begin their home search online**, and will usually use their budget as search parameters. Many times, pricing your home above their capped budget will cause them to miss your listing! For example, you expect \$600,000 for your home, you price at \$650,000 with the belief that people will try to haggle with you. What sellers sometimes don't realize is that a buyer with a budget of \$600,000 will not see this listing, because their search will often say something like "homes priced up to \$600,000" It would be wiser to price your home at \$565,000 to \$589,000 and wait for the offers to pour in. Nothing gets the seller a better price than multiple offers. If your home is priced correctly, you should have several offers to choose from, and should likely end up getting more than \$600,000 for your home...**Remember 94% of people start their search online!**



4. **An overpriced home may have appraisal issues.** An appraisal happens when a buyer needs to take out a mortgage to pay for their purchase. The lender will order an appraisal to ensure that the home's value covers the loan (the lender uses the home as collateral), so if the home sells for more than the appraisal, the buyer needs to pay the difference in cash! This sometimes is called the gap, and in a seller's market this is common with multiple offers...*Remember, your neighborhood has far more weight on the pricing of your home than most other values. Give us a call, see what we can do for you!*

**We are Never too busy for Your Referrals!**

Peter Szwed 201-805-6242

Lorraine Zito 201-960-6670

Juliette Gorham 973-769-1684



**CHRISTIE'S**  
INTERNATIONAL REAL ESTATE  
GROUP

