

TOP TIPS

IMPORTANCE OF FLIPPERS PRICING AT MARKET VALUE

(Borrower's Perspective)

- The listing price of a finished flip must strike a balance between the flippers need to maximize profits and the buyers need to get a fair deal.
- The market value of a property is determined in exactly the same way as any other commodity. *(Supply / Demand / Market)*
- Most buyers have a good overview of the market and will compare properties with competition.
- When a property, is first listed, it generates an elevated level of interest from prospective buyers, which reduces dramatically over time.
- If the asking price moves above market value, it will attract a smaller percentage of prospective buyers. Reducing the chances for sale. Conversely if the asking price is at or near market value, you attract a larger pool of potential buyers.
- Put your best foot forward immediately. Establish a competitive asking price from day one. Put and keep the home in top showing condition,
- Overpricing with the intent to reduce later is a strategy that can backfire. A stale property being reduced in price, is a red flag to potential buyers.
- The longer a finished flip sits on the market, the greater the risk of failure. It also increases the holding cost for your business. *(Taxes / Insurance / Utilities)*
- Finally, ask for multiple, third-party opinions on the asking price. Consult with at least two brokers / agents in the area. This can help reduce the emotion of your decision.

