

Determining Price



REALTY EXECUTIVES BRIO

Fair market value is set by what a buyer is willing to pay

Determining an appropriate list price is the single act which will have the largest impact on how much or little activity you receive. I will help you determine the list price of your property through three key steps:



1. Know the physical and material qualities affecting the value and desirability of your home

The condition of your home will impact a buyer's perception of its value. Even moderate improvements (such as touch-up paint on walls) can dramatically improve the perceived value, therefore driving buyer interest, offers and, ultimately, a higher purchase price.

2. Know your market conditions

Location, lifestyle opportunities, job growth, the economy, inventory and demand to name a few are all mitigating factors in how fair market value will be determined for your property.

3. Evaluate your competition

The more we know about the competition, the better prepared I am with how to position and sell your home successfully. The competition is how we will gauge where we need to be, to get your house SOLD.

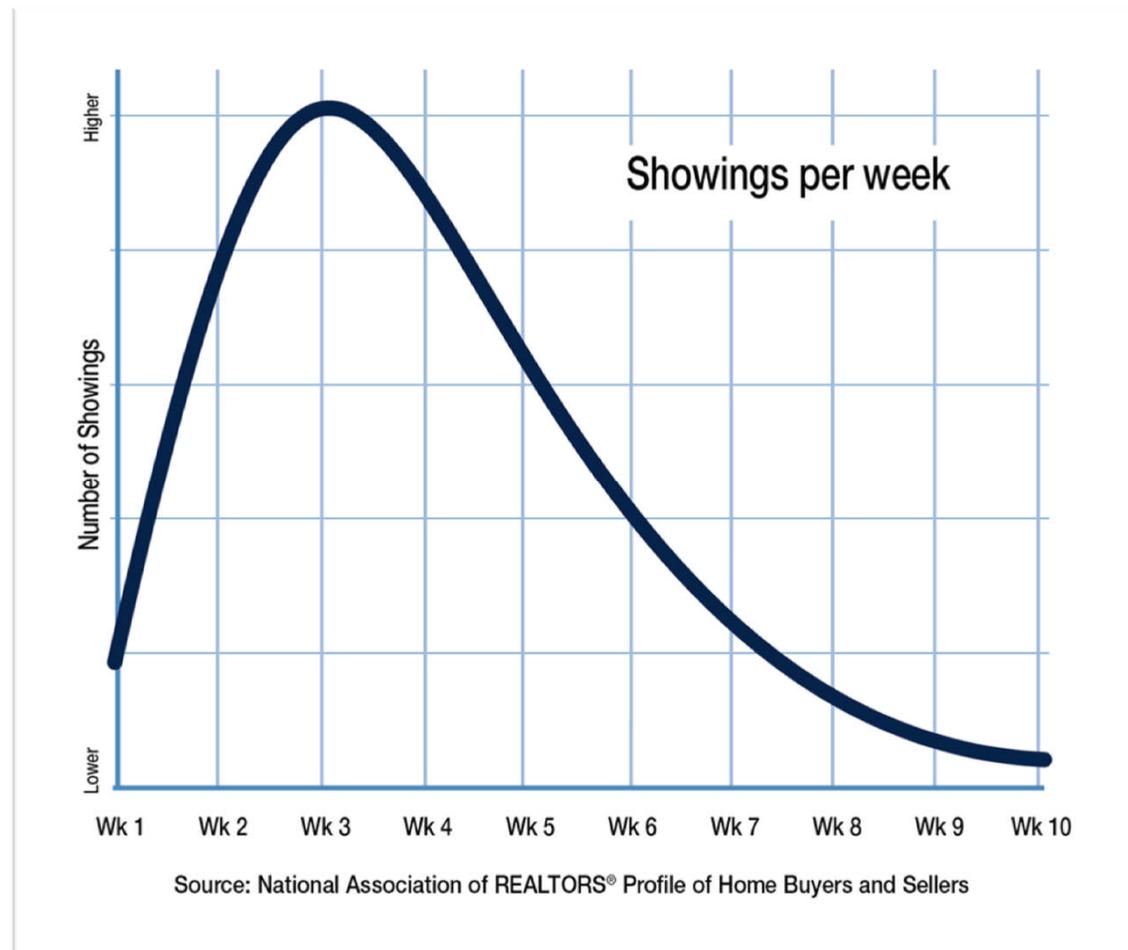
It is my responsibility and obligation to help you make an informed decision.



Determining the List Price

Overpricing your home can mean a decrease in interested buyers and an increase in days on market

Although the illusion of more walk-away dollars is enticing, overpricing one's home typically results in the opposite effect. Overpricing a home is often a result of being uninformed or misinformed about the true value of your property. Serious home sellers that want to sell their home for the most amount of money, in the shortest amount of time, do not overprice their home. If you price your property at fair market value from the beginning you will likely increase your buyer pool and decrease days on market.



The Effects of Overpricing Your Home

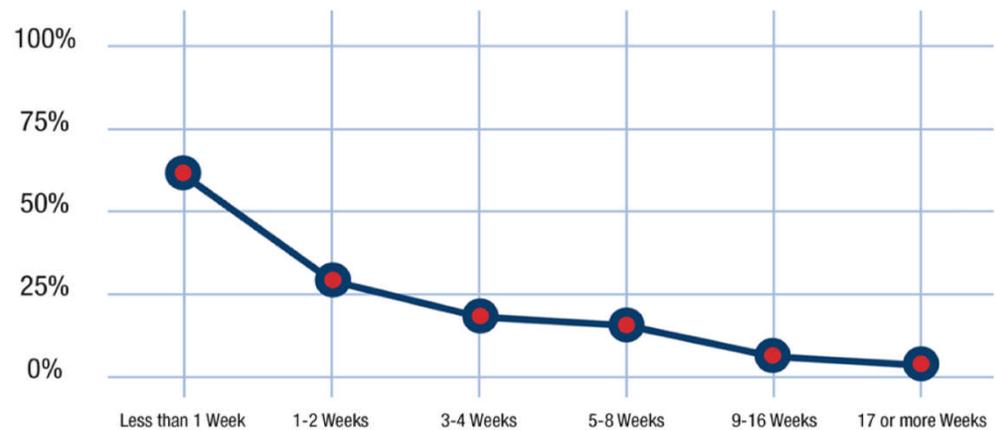
- **Lower levels of brokerage exposure**
- **Lower levels of buyer exposure**
 1. Agents will not show overpriced properties to their buyers.
 2. Buyers not working with an agent perform enough research to know an overpriced home and will not take the time to view that home.
- **Longer days on market**

An overpriced property is perceived as ‘stale’ regardless if price reductions are implemented or there is ‘room’ for negotiating.
- **Perception that the home is not as desirable**

Overpriced homes typically experience longer days on the market. Buyers interpret longer days on market to mean ‘buyer beware.’
- **Difficulty with obtaining financing**

Lenders base decision on fair market value. If a lender’s appraiser determines the home to be above fair market value, and above what they are willing to finance, they may require a buyer to make up the difference in cash.

Sellers receiving 100% or more of listing price based on number of weeks home was on the market.



Source: National Association of REALTORS® 2013 Profile of Home Buyers and Sellers



REALTY EXECUTIVES BRIO

The Effects of Overpricing Your Home