

GET THE HIGHEST PRICE WHEN YOU SELL YOUR HOME

When you decide to sell your home, setting your asking price is one of the most important decisions you will ever make. Depending on how a buyer finds your home, price is often the first thing he or she sees, and many homes are discarded by prospective buyers as not being in the appropriate price range before these homes are given a chance to be shown..

Your asking price is often your home's first impression, and if you want to realize the most money you can from your home's sale, it is imperative that you make a good first impression.

Because this is not as easy as it sounds, your pricing strategy should not be taken lightly. Pricing too high can be as costly to a home seller as pricing too low. Taking a look at what homes in your neighborhood have sold for is only a small part of the process, and this on it's own is not nearly enough to help you make the best decision.

This report will help you understand some important factors about pricing strategy to help you not only sell your home, but sell it for the price you want.

Pricing strategy starts with good information

Before you can begin to know what your home is worth, you should do some research, bearing in mind the following: An analysis of what homes have recently sold for in your neighborhood is NOT enough to help you properly price your home.

A quick scan up and down the street at the prices of homes that have recently sold will give you a starting point. However, this is not nearly enough for you to base your entire pricing strategy on. It is important for you to understand how buyers look for a home.

Think about how you conducted your house hunting search to find the home you are now thinking of selling. You most likely did not confine your search to a single neighborhood, but perhaps different neighborhoods or towns in order to find a home that best matched your needs and desires.

The prospective buyers who will be viewing your home, will conduct their searches in a similar manner. That means they will be comparing your home to, for example, brand new development homes, century homes, 10-20 year old homes, etc. They will also consider locations such as homes in established neighborhoods, the middle of town, the suburbs or country properties. Each home will have a different look and feel and it's quite possible that a prospective buyer might consider all of these variables in the search for a home.

You can see, when you're selling your home, you're not just competing with the home around the corner, but also with all homes in other areas which have the same basic characteristics: i.e. number of rooms, overall living space, etc.

How sellers set their asking price

For you to understand how much to offer for a home you're interested in, it's important for you to know how sellers price their homes. Here are 4 common strategies you'll start to recognize when you begin to view homes:

1. Clearly overpriced:

Every seller wants to realize the most amount of money they can for their home, and real estate agents know this. If more than one agent is competing for your listing, an easy way to win the battle is to over-inflate the value of your home.

This is done far too often, with many homes that are priced 10- 20% over their true market value.This is not in your best interest, because in most cases the market won't be fooled. As a result, your home could languish on the market for months, leaving you with a couple of important drawbacks:

- your home is likely to be labeled as a "troubled" house by other agents, leading to a lower than fair market price when an offer is finally made

- you have been greatly inconvenienced with having to constantly have your home in "showing" condition . . . for nothing. These homes often expire off the market, forcing you to go through the listing process all over again.

2. Somewhat overpriced:

About 3/4 of the homes on the market are 5-10% overpriced. These homes will also sit on the market longer than they should. There is usually one of two factors at play here: either you believe in your heart that your home is really worth this much despite what the market has indicated (after all, there's a lot of emotion caught up in this issue), OR you've left some room for negotiating. Either way, this strategy will cost you both in terms of time on the market and ultimate price received

3. Priced correctly at market value

Some sellers understand that real estate is part of the capitalistic system of supply and demand and will carefully and realistically price their homes based on a thorough analysis of other homes on the market. These competitively priced homes usually sell within a reasonable time-frame and very close to the asking price.

4. Priced below the fair market value

Some sellers are motivated by a quick sale. These homes attract multiple offers and sell fast - usually in a few days - at, or above, the asking price. Be cautious that the agent suggesting this method is doing so with your best interest in mind.