

# 6 Pitfalls *of* Overpricing *your Home*

When it comes to getting the most money for your home with the least headaches in the shortest amount of time, nothing can stop that process faster than **overpricing**. In fact, it's the number one reason houses don't sell.

As a real estate professional committed to happy clients who are eager to get the most from their investment, sharing this **must know** information with potential sellers is on the top of my to-do list!

**Timing is everything:** Very often a seller asks, "We can always come down later—right?" Historically when your house goes on the market, the greatest potential for buyer traffic is in the first 30 days. By pricing it high with the intention of dropping the price later, you are completely bypassing your best candidates for buyers.

**Showings shut out:** Agents have an obligation to do what is best for their clients. Clearly, showing overpriced listings does not fall into that criterion. With inventory high, agents will undoubtedly choose to show properties that are within their buyer's price range and that meet the current Fair Market Value.

**Benefits the competition:** Unfortunately, when a home is overpriced, it not only sits on the market but acts as a selling point for market-priced homes. It's a cue to buyers to say, "I can get the same house for less!"

**Lender trouble:** Even if an agent agrees to list your home too high, and even if you were to find a buyer willing to pay more—these are both BIG IFs—today's lenders are extraordinarily cautious now. They base their loans on accurate appraisals and appraisers must base their price on comparable properties that have sold.

**Time on market:** Overpriced homes will simply sit on the market. Unfortunately, extended time on the market forces the question in a buyer's mind of the possible bigger problems looming within the walls of the property. Put yourself in the buyer's shoes. What's the first two things a buyer asks when they consider a property? What's the price and how long has it been on the market?

**Lower proceeds:** Unfortunately, when a home starts its listing life overpriced, it almost always sells for less than market value. With few buyers to choose from, zero leverage because of time on the market, too high an asking price, and carrying costs to maintain the property; most sellers find themselves getting the least from their investment rather than the most.

