



HOW TO PRICE YOUR PROPERTY FOR SALE

Adapted from 'Pricing your home to sell' by David Knox our 'third party expert' choice. You can visit him on davidknox.com

"Should we select an agent based on price?"

- It's always tempting but do NOT select an agent based upon price.
- Real estate agents don't establish value, the market does. You wouldn't choose your stock broker based on the price of the stock. You choose them based on competency, trust and your level of comfort based on rapport.
- Select your agent first, then together determine the price your home.

"How do we set the asking price?"

- Ask yourself how you determined the price when you were buying. You probably compared all the other properties on the market to arrive at a value. You also need to know what has recently sold. The actual selling price of comparable properties counts and reflects a realistic market value for yours. Buyers today have much greater access to market information, so by the time they have seen your house they have already examined the competition and know their options.
- Your agent will go through a comparative market analysis (CMA) with you and together you can determine the asking price.
- If you price your property too high in a sliding market, the price will keep going down and you will have lost the most qualified buyers in your first three weeks of marketing.
- Change your strategy in a rising market.

David suggests that in a normal market you price the property at the top of recent sold prices and at the bottom of what's currently on the market.

"My house is better"

Make sure that you are comparing apples with apples. Objectively compare location first, size second and then the condition and features. The buyer will.

"They can always make an offer."

They can only do that if they see your home. Buyers shop first by location then by price. You will attract the higher price buyers but who also have higher expectations. Don't be invisible to your most qualified buyers.

Should we spend more money on advertising?

The reality is that all the exposure in the world won't sell an overpriced property.

“I want to sell for the highest price in the quickest possible time”

Every seller wants to achieve this and priced correctly this is what in fact will happen. Be sure to check your motivation. If your primary goal is to move, then setting the price too high will NOT get your objectives met and you would have wasted precious time and money.

“We can always come down in price”

Don't find yourself after having lost the 'hottest' activity and enquiry in the first three weeks out of options, out of time and then accepting any offer you can get.

It's better to turn down offers that are too low, rather than not get any at all. Price is like a magnet, it will attract either the right buyer or the wrong buyer with expectations one cannot meet.

“The value has dropped since we bought”

You need to establish if the benefits of selling at a loss, exceed keeping it, and staying on.

TOP TIPS

1. Your agent's job is to market your property and then negotiate the highest price that the market will bear. They can't negotiate for you, if no offers are coming in.
2. Your agent should give you ongoing updates on the enquiry level. There is a direct link between enquiry and getting sold. No enquiry is an indication that the price is too high.
3. The market is brutal on price in relation to presentation. Presentation always counts when trying to achieve top dollar.

The right fit in property only happens with the right people