



A GUIDE TO PERFECT PRICING by Greg Moesser, ACA

Pricing properly is no simple task. It is, however, the most essential marketing aspect that will impact the final outcome of your sale. The Rodeo Realty Private Estates Division offers the following guidelines:

SELECT YOUR AGENT WISELY

It's important to choose an agent that has the professional expertise to create the best environment for the sale of your property. The duty of your agent is to guide you on how to maximize the property's sale price without overpricing and losing prospective buyers. Too often, Sellers will select an agent that is apprehensive or is ego motivated to just get the listing, and will suggest a price far in excess of what the market will bear. A competent real estate agent will provide comparable sales information and a thorough knowledge of market conditions. A property should usually be priced within a 10% range at which similar type properties have recently sold.

LESS IS MORE

Sellers tend to believe that more is better, that a higher asking price leaves room for negotiation while keeping the fantasy that a buyer will come along and pay ANYTHING for the property. More often than not, the result is quite the opposite. Overpriced properties tend to linger on the market, suffer continuous price reductions, develop a tarnished reputation of un-salability and the result is often a lower sales price than competitively priced properties.

KEEP THE PROPERTY CURRENT

The less time on the market will usually result with a stronger offer and higher sales price. By pricing a property properly at the outset, you will diminish the amount of time and showings necessary for a sale. The newer the listing, the more urgency a buyer will feel to move quickly before losing the sale to someone else. An older listing will generate concerns of value and quality, and questions as to why the property has not sold.

GET BUYERS ON YOUR SIDE WITH AN EXCITING LISTING

The initial debut is when the property will receive the maximize exposure and set the tone for its marketability. Any well priced property will generate excitement within the community of brokers and buyers, and thus an important psychological shift occurs. With a demand for the property, the perceived value is also increased. The buyer will regard other prospective buyers, present or imminent, as possible competition. The result is a buyer that is motivated to get the deal made. In the case of an over-priced property, the perception is that of an un-wanted property with no other bidders, resulting in a lower offer with no motivation to negotiate a higher price.