

7 property pricing myths that prevent sellers getting top dollar

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If you're selling a property, you've probably picked up a few tips and tricks from friends and family on how you should go about pricing it. However, many of these 'tips and tricks' are actually myths; but over time they've become real in people's minds and can get in the way of actually selling your home.



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There are seven main property pricing myths that need to be busted:

1. It's better to price my home on the high side. If the buyer's interested, they can make an offer.

If your home is overpriced from the beginning, you risk losing potential buyers who aren't stretching their search into an uncomfortable price range. The asking price sets the stage and may invite or dissuade buyers based on the rand amount. The first price impression is the 'window of maximum opportunity' when buyer interest and possible offers should be at their highest.

2. If I list my home for the price I want, I might lose out on a potentially higher offer.

In fact, the opposite is true. A well-priced home tends to generate a lot of interest and can result in multiple offers in a short space of time. A shorter marketing span can bring in strong offers resulting in your home selling for over your asking price or at the very least, at a higher price than if it had been on the market for an extended period of time.

3. The price of my house will improve with time.

There is a strong link between how long a property has been on the market and the final selling price; and it's not a positive one. No matter how long you're able to 'wait it out', the longer your home remains on the market, the more likely buyers are to question its value in any market.

4. The lowest price I'll accept for my property is X.

When you're faced with an offer lower than what you expected, resist the urge to draw a line in the sand with a figure you consider your 'bottom line' price. Buyers typically see the glass as half empty versus half full, and in some markets, such as the current one, they're holding the cards. You can decline an offer based on a number, but you may never get there with another buyer and a subsequent offer may be lower or layered with conditions and complications. In this market, work with the offer you have.

5. An offer should come in close to asking price.

Sellers are often disappointed with the initial price they're offered and ask "why so low"? In this market, buyers aren't going to be generous initially. Unless it's a really hot property, which is priced aggressively or in a low-inventory market, no buyer will willingly offer more than they have to, especially on the first time around. Buyers will try to get a sense of how flexible you are on price before deciding their next move. Remember, it's not where you start but where you finish.

6. Outdated features shouldn't impact my selling price.

Unfortunately, they do. Buyers are looking at how much they're going to have to spend to bring the home up to today's standards and are going to deduct accordingly when formulating an offer. You would do the same!

7. The buyer's offer is simply too far off the asking price to counter.

As they say: 'A bird in the hand is worth two in the bush' and this is especially true in the current market. When a buyer steps up and puts pen to paper with an offer, it's an invitation to negotiate and begin discussions about the property. So start negotiating.

Making decisions about property, especially when it's your own, can be very emotional and it's easy to take offence but it's best to try to keep emotions out of the negotiation and work in good faith with what's presented. A good agent will know their buyer and will learn quickly if it looks like a deal may come together.

Pricing your property is about finding the right balance and when the market is low, sellers can't be guaranteed as strong a selling price as they would usually expect. Setting the stage with the right pricing will set the tone for how smoothly the listing to sale experience unfolds.

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