

THE RISKS OF GETTING YOUR LIST PRICE WRONG

You want to sell your home, you've appointed an agent and you've had several conversations about the property's listing price. The problem is that the agent's number and your number are not the same number. But you're the customer, right? You can just tell the agent what to list the property for. If you're a little bit high, no harm, you can just drop the price later, right?

Yes, of course you can. But this strategy, favoured by many first-time property sellers, comes with an enormous risk and a very serious down side.

What happens if the price is too high?

Setting the right price to list your property is crucial. If you get it right your home will sell quickly and for a good price.

Get it wrong and your home could be left languishing for months, even after you accept defeat and drop your price to meet the market.

Buyers are more informed than ever before. Many now have access to a property's sale history and can see when the price has been reduced. This can turn buyers away who naturally wonder what is wrong with the property and why it didn't sell.

If the price is too high, buyers are unlikely to return for a second look, even if you drop your price within a week or two. They will wonder what's wrong and why you've dropped your price. When there are many other homes on the market they won't waste time wondering if yours is worth a closer look.

It's important to remember, when you list a home for sale you are competing with other homes on the market to attract buyer interest! Don't give them a reason to keep scrolling.

How to set the right price:

- **Homework:** Be sure to research the property market in your area and look for any announcements that could impact your property, such as road upgrades, traffic light installations, etc.
- **Expertise:** Listen to the advice of your appointed real estate professional. All REIQ agents have access to the latest market research and data for their area. They are also specialists in their area and will have an astute understanding of where the market is and what active buyers are looking for.
- **Data:** Ask for a comparative market analysis (CMA). This is a document listing similar property sales within a 5km radius of your property within the past six months. These prices will give an accurate indication of what your property will sell for.

- Reasons: Using your CMA, talk to your agent about the sale price for your property. If you want to list for a higher price, show the agent why your property is better than the properties in the CMA.

Remember, buyers can see inside your property from the comfort of their home when they check out your property listing online. They can very quickly judge for themselves if the price matches the property and whether it is worth a visit.

Don't make the rookie error of starting too high and pricing yourself out of the market. Listen to your appointed real estate expert and get it right the first time.