

## Dangers of Overpricing Your Home in Vancouver

No matter how you may feel personally about your home, it is still only worth what someone else is willing to pay for your house. Try to take into consideration that if you overprice your home, it will not sell. If a home is overpriced it will lose the excitement that a new listing generates. Most activity on a listing comes within the first 30 days. An initial high price will discourage buyers, causing you to miss out on pent up demand. Many homeowners believe: The initial listing price isn't *that important* because the price can always be adjusted down later. *That is a myth. It simply is not true.* If most buyers first viewed your house because of a newspaper ad, a magazine, the internet, brochures, or the sign in your front yard, the initial listing price probably would not make a difference. The house would always be "new" to those seeing it. But most buyers see your house for the first time because a real estate agent showed it to them. When you first put your home on the market, real estate agents pay attention. *New listings receive priority!* They are on the "hot sheet" circulated in real estate offices. The MLS computer identifies new listings. There are office previews and MLS tours. Agents pay attention when your house is *new* to the market. **"YOU can only be 'new' once!** If the house is priced correctly for its condition and location, agents will show it to their clients. If it is overpriced, they won't. Dropping your price later deprives you of the best opportunity to market your house. So, Price it Right - to Sell!

1. You will lose the most qualified prospects! Buyers will not "just make an offer" because they may never even see your property. They will view the properties that are priced within their purchase power range, knowing that they cannot afford anything above their price ceiling.
2. Over pricing helps sell other, more competitively priced homes first. Your home may be used to demonstrate the good value of other properties. Your objective should be to enter the market in a position that will attract prospects, not to drive them away.
3. Your home may become "stale" on the market. Prospects may wonder why it has been on the market too long, or if something is wrong with the property, even after you lower your price. You may even have to settle for less than market value. A house takes on a reputation surprisingly fast, so don't wear out your welcome on the market.
4. If you do get an offer, the contract may fall through because of appraisal problems. The lender may not be able to justify the price as it relates to loan value, consider it a high risk and refuse to lend the buyer mortgage funds.
5. You lose a strong negotiating position when your home is on the market a long time, both financially and mentally! Prospects will not "rush" to make an offer on over priced property, and you may feel compelled to accept less when they finally do.
6. The agent you list your home with cannot set the sales price of your home any more than your stock broker dictates the price of a stock sale. The selling price is simply a function of supply and demand. Never let an agent bid for your listing. Most unsold listings that expire on the market are because of poor pricing, subjecting the owners to the risks discussed above. Select your agent on their ability to negotiate, competency and ability to reach the market. Above all, select someone you trust!