

THE TALE BETWEEN TWO MARKETS

No matter how experienced you are with the process of selling a home, local market conditions will always influence how long it takes to sell and at what price. Familiarize yourself with the market and plan a strategy accordingly.

BUYER'S MARKET

In a Buyer's Market, the supply of homes for sale outpaces buyer's demand. The excess inventory relieves the pressure of buyers feeling they have to buy right away. In fact, most buyers tend to procrastinate in hopes that the market will soften even more. This, in turn, forces the motivated seller to drop his price below market value in order to sell. This creates downward pressure on prices and often forces sellers to accept less for their home than they would otherwise like.

SIGNS OF A BUYER'S MARKET

Offers on properties are sparse

Prices decline due to lack of demand

Anxiety, denial, fear, desperation, panic – all emotions that sellers are likely to face

Days-on-market (DOM) lengthen considerably

Inventory levels increase substantially



Are you in a buyer's market? That's not necessarily a reason to hold off on selling. It just becomes that much more important that you enter the market with a clear understanding of what's needed to position your home in front of the competition. Sellers who get it right are still closing deals at prices that satisfy all of the parties involved in the transaction.

the real estate market is created one ”
property at a time



SELLER'S MARKET

In a Seller's Market, the demand for homes exceeds the supply of available properties for sale. Sellers often attempt to capitalize during this time by raising prices and becoming less flexible in negotiations. Buyers, on the other hand, naturally will attempt to resist this pressure. Their decision to buy ultimately rests with their ability to afford the higher prices combined with their expectations of the future of the housing market.

SIGNS OF A SELLER'S MARKET

Prices are appreciating

Inventory levels are low

There are multiple offers on properties

There are a short number of days-on-market (DOM)

There is optimism and excitement

In a Seller's Market sellers can pretty much get the price they want since there are so many buyers who want to buy properties before prices go higher.

IMPORTANCE OF INTELLIGENT PRICING



ASKING PRICE ACTIVITY

Determining the best asking price for a home can be one of the most challenging aspects of selling a home. It is also one of the most important.

Benefits of proper pricing

Less time on the market

If your home is priced right, it will reduce the time it stays on the market, saving you carrying costs, mortgage payments and monthly maintenance expenses, along with the time and trouble of keeping your home in "show condition."

Attracts agents and qualified buyers

At a fair market price, agents become a part of your marketing strategy because they enthusiastically promote your home to other agents and buyers. Agents want houses they can sell - not justify.

More money to you

Starting at a higher asking price "just to see what happens" is a waste of time. If your home is priced right, there will be no need to reduce it later. You will net more after the sale in reduced carrying costs and less time rejecting ineffective offers.

Effects of overpricing

Lengthens market time

If your home spends too much time on the market, the price it will be able to command often decreases. The time it spends on the market can encourage buyers to become more aggressive in negotiations.

Lowers agent and buyer interest

Overpricing attracts the wrong buyers. If your home is overpriced, buyers will simply skip it and move on to the next home, particularly in a buyers' market when there is an abundance of homes on the market.

Reduces net profits

The additional carrying cost incurred during the home's market time often results in the seller netting less than if it had been priced competitively from the start.

PRICING CORRECTLY AT MARKET VALUE



If your home is listed at a price that is above market value, you will miss out on prospective buyers who would otherwise be prime candidates to purchase your home. If you list at a price that is below market value, you will ultimately sell for a price that is not the optimum value for your home.

By pricing your property at market value, you expose it to a much greater percentage of prospective buyers. This increases your chance for a sale while ensuring a final sale price that properly reflects the market value of your home.

Another critical factor to keep in mind when pricing your home is timing. A property attracts the most attention, excitement and interest from the real estate community and potential buyers when it is first listed on the market. Improper pricing at the initial listing misses out on this peak interest period and may result in your property languishing on the market. This may lead to a below market value sale price, or, even worse, no sale at all.

Get your pricing strategy for your home wrong and you will create a problem you may never overcome. Get it right and you will dramatically increase the likelihood of attracting solid offers and ultimately receiving top dollar.

