

The Importance Of Effectively Pricing Your Property

A busy working couple wanted to sell their only apartment building in order to “cash out” their investment and move their money out of real estate. Even though they were warned that we were experiencing a declining market and to sell sooner rather than later, they were busy and put off listing the property for months. When they did get around to listing the property, they obviously wanted to achieve the highest price possible. Instead of listing the property at a competitive price as recommended, they chose to “push the value” and listed \$200,000 higher than the recommended sales price.

After months of lowball offers (which usually come when properties are priced too high) in a steadily declining market, they got a strong offer at a low price and accepted. Unfortunately, this buyer saw that the property had been on the market for a very long time and tried to renegotiate numerous times. Ultimately, the sellers became frustrated with the demanding buyer and the sellers cancelled the escrow after a month-long negotiation period.

The need to sell grew and the sellers finally became more realistic about what their property was worth. Once the property was back on the market and the sellers became more and more fearful of the down market, they finally agreed to a sale price only \$10,000 higher than what they paid for it 4 years prior, and \$300,000 less than the original list price.

If they had only realized how quickly the market can change, and how important it is to generate substantial offers as soon as a property is listed, their apartment building may not have wasted so much time sitting on the market.

In a down market (and in any situation when a quick sale is needed), it is always most beneficial to take advice from market experts when pricing your property. You may think you’re doing the wrong thing, but competing offers always generate the best price and terms for the seller. If the sellers would have priced the property more competitively, they potentially could have made an extra 10 – 15% more on the price.

(See Also “How To Generate 11 Offers In 7 Days”)

**WHO SELLS YOUR PROPERTY, HOW IT IS SOLD, AND TO WHOM
MAKES THE DIFFERENCE IN YOUR NET PROCEEDS!**