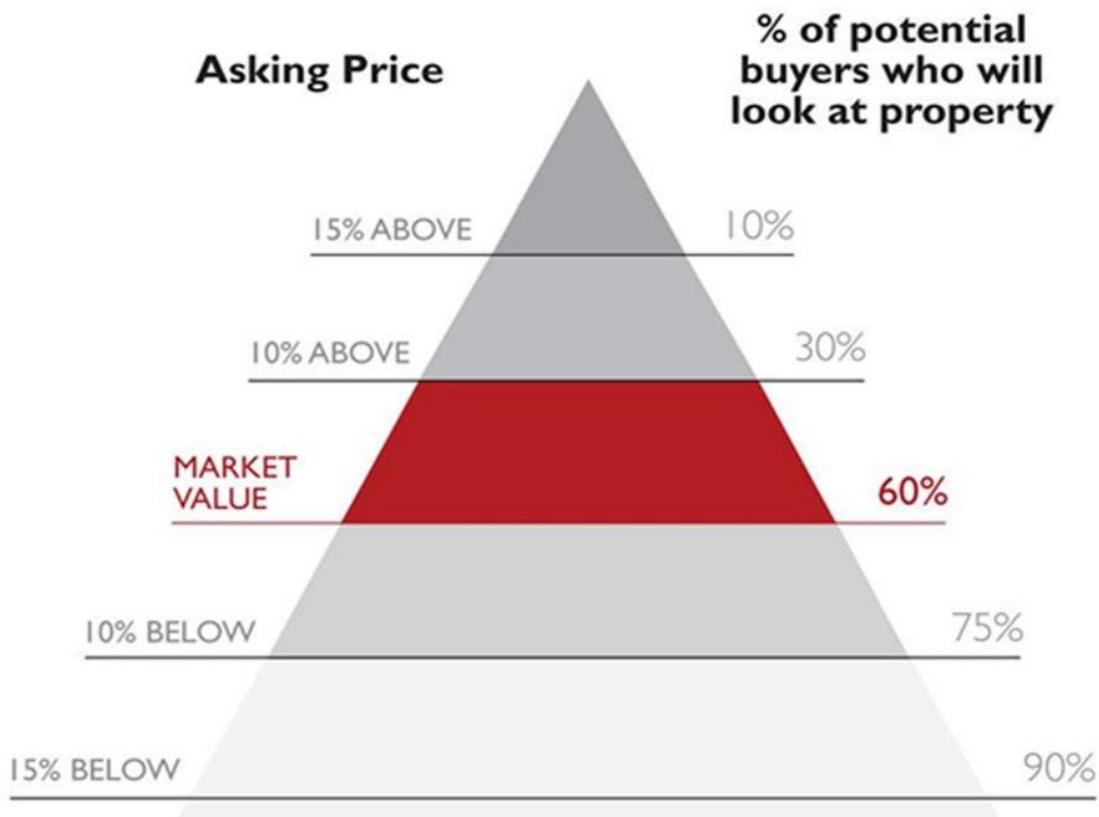


# The Dangers of Overpricing your Home

*Hiring a knowledgeable real estate professional is imperative, as pricing a home appropriately is more an art than a science. Be conscious of the similarly priced homes in your neighborhood, what are they selling for...and price for the market you are in. Keep up with market trends, and remain educated on the pitfalls of overpricing to enjoy a smooth sale!*

*It's very common to receive multiple offers – often above list price – on an appropriately priced home vs. an overpriced home. Sellers see the value in their home beyond its standard market value (sentimental value, what they paid, what improvements and maintenance costs them). A buyer won't see these things, so it's important to price according to the homes actual value based on neighborhood comparable sales.*



**1. Pricing your home too high can scare off buyers.** Most buyers are working with a real estate agent, and most agents can tell right away if a home is overpriced. Agents will look at comparable homes in the area and if your home is priced significantly higher than those, it will throw up red flags. Buyers don't generally like to make offers on overpriced homes, *They certainly don't want to offer more than they think it is worth, but offering too low is out of the question, as they worry about offending the seller or embarrassing themselves. They assume that if the seller was actually willing to take less, they would have priced it for less to begin with.*

2. **Your home will take significantly longer to sell if it is overpriced.** In real estate, time is your enemy. One of the first questions a buyer's agent will ask, is *'how long has this property been on the market?'* Even if you are in no rush to sell your home, or think that you can drop the price later, *please be advised that it is unwise to let a property accumulate days on the market.* Statistically speaking, a listing sees four times the amount of traffic in the first two/three weeks of being on the market than it will for the duration of its time on market. This is why, these first 2/3 weeks are critical! If your home is priced too high, you risk missing out on that initial traffic surge, resulting in the home being on the market for longer than it needs to be. **Buyers assume there's something wrong!**

3. **Your property will drop from online search results if not priced accordingly.** Buyers often times begin their home search online, and will usually use their budget as search parameters. Many times, pricing your home above their capped budget will cause them to miss your listing! For example, you want to sell your home for no less than \$300,000. You price your home at \$320,000 with the belief that people will try to haggle with you. What clients sometimes don't realize is that a buyer with a budget of \$300,000 will not see this listing, because their search will often say something like 'homes priced up to 300,000'. It would be wiser to price your home at \$299,000 and wait for the offers to pour in. If your home is priced accordingly, you should have several offers to choose from, and should likely end up getting more than \$300,000 for your home... **Remember 94% of people start their search online!**

4. **An overpriced home may have appraisal issues.** An appraisal happens when a buyer needs to take out a mortgage to pay for their purchase. The bank loaning them the money will order an appraisal to ensure that the home is worth what they are loaning them to pay for it. The bank will not give the buyer money to buy the house if its appraisal value is noticeably lower than the sales cost... *Your neighborhood has far more weight on the pricing of your home than most other values.*

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