

# Importance of Price

1. Buyers are very sophisticated.
2. Exposure to qualified buyers is what sells houses.
3. An overpriced house gets no exposure to qualified buyers.
  - a) People who are qualified to buy the house are not looking at it
  - b) People who are looking are overqualified and looking for more features than the house has to offer
4. An overpriced house sells its competition. If a house is put on the market similar to two or three others that are offered at lower prices, the competition must be sold before the higher priced house has any chance of sale.
5. Buyer demand sets price. Supply & Demand Economics
6. Houses that remain on the market a long time become “shopworn”. Buyers and agents begin to wonder what is wrong with the house.
7. Contrary to popular opinion, the longer a house remains on the market, the less chance there is to get the highest price.
8. The very first contract received is often the best because it comes from the backlog of buyers who have been looking, are anxious to buy, and will offer the best price. These buyers have been waiting in the wings for this particular house, and their agents have been eagerly on top of the market seeking the house.
9. Any study of the market will show that from time to time when houses are put on the market, prices gradually descend as time passes. When the price reaches market value, the house sells.
10. “Waiting for a price” can only be accomplished by anticipating price increase due to inflation. The price will then be in cheaper dollars or will occur several years later.
11. Price cures all defects. Any house, no matter what the condition, location, or problem, will sell at the right price.
12. Buyer financing could be in serious jeopardy when the sale involves a high loan to value ratio. (This means that the appraised value of the property is less than the selling price.) Banks and mortgage companies will not finance a property for more than the collateral value.
13. The property can easily lose potential buyers in the “computer shun” whereby properties are listed within price ranges. If your property is above the upper limit on the computer run, buyers will never even be able to consider your home.
15. PRICE IS CRUCIAL! A house priced right is half sold. A house priced right in the beginning will bring MORE than one overpriced and reduced.

## OVERPRICING

- Reduces sales associate’s activity
- Reduces advertising response
- Loses interested buyers
- Attracts wrong prospects
- Eliminates offers
- Can lead to mortgage rejections
- Helps sell the competition