



## *The Dangers of Overpricing Your home*

- You 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.
- You will lose the most qualified prospects! Buyers will not “just make an offer” because they probably will never 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.
- Overpricing 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 drive them away.
- 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.
- 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, considering it a high risk and refusing to lend the buyer mortgage funds.
- 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 overpriced property, and you may feel compelled to accept less when they finally do.

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 listing that expire on the market are due to 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!

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