Ten Ways To Know Your Home Is Overpriced

Pricing a Home For Sale

Overpricing a home is one of the biggest blunders in Real Estate. In fact when you overprice your home it is one of the hardest things to recover from even if you end up reducing later on down the road. After being in the Real Estate industry for the last twenty six years it has become common place to see overpriced homes languish on the market. Pricing a home for sale properly is critical part of any successful real estate equation!

You see it so many times over and over by sellers who think their home is worth more than the next guy down the street. I suppose it is human nature for all of to think anything we own is better. Sometimes a seller’s misguided belief is fueled by some foolish Real Estate agent who has mislead them intentionally just so they can get a listing.

This is one of those dirty little things that happen in my industry that makes me sick to my stomach. While at times a seller will see right through a Realtors BS, there are times where a persons judgement can become clouded. Everyone wants to believe they have the best of the best.

One of the better ways in choosing a Realtor to work with is to go with someone who does not “need” your business. You will get a much more honest evaluation of your property when working with an agent who is not worried about where their next sale is coming from!

A Real Estate agent who doesn’t do a high volume of business will have a much greater fear of losing out on a listing and therefore could inflate the suggested value. Real Estate overpricing is very common with an agent who is worried about where their next transaction will come from.

How To Know Your Home Is Overpriced

- You interviewed three Real Estate agents to give you the market value of your home. None of them told you what you wanted to hear so you continued to conduct Real Estate interviews until you found that Realtor who was just so agreeable they were an amazing agent in your eyes.
- You figured out your asking price by calculating what you paid for the home even though the market has dropped for five consecutive years in a row. During that time you failed to watch the news or read the newspaper and instead decided to imitate Rip Van Winkle. As far as you know a short sale is when Macy’s has a 24 hour mark down on their merchandise.
  - After calculating what you paid for the home, you went on to figure out all the awesome improvements you have made to the home including the wonderful above ground pool from Wallmart, the new septic system so the toilets flush, the ultra rust proof galvanized nails on your new Masonite siding and the Chinese dry wall you just installed in your basement. You have been extra careful to let your agent know how incredible these home improvements are for getting top dollar.
- Your home has been on the market 359 days. You are less than a week away from your one year anniversary. In that time you have had a birthday and gone through nine holidays. The Spring market that you missed last year is already here again.
- Your home has a couple showings a month but a similar home down the street
has had a parade of people walking through almost every other day. The feedback you have been getting is that your home is overpriced. You conclude that people are just lying for some unknown reason.

- Five other homes just like yours have sold in the neighborhood over the last year. Well maybe not exactly the same because you painted a large portion of the interior of your home a shade lighter than Barney, realizing of course that even though it is not an earth tone, buyer’s love purple.
- You start asking your Realtor to put a full page spread in the NY times about your home, crying that it must be the Realtors marketing that is not getting the job done. In fact you also want round the clock display advertising in all the local newspapers as well. The internet is just not working dam it!
- You come to the conclusion that your home needs an open house every Sunday for the next three months. A couple hours is not good enough either. You want the agent there all day. Despite seeing the statistics that say less than 2% of all homes are sold through an open house, you want to shoot for that 2%.
- Suddenly you start to have very vivid dreams at night about getting a cash buyer. The dreams become so strong that you are having a tough time getting a good nights sleep. You visit your trusty psychologist asking for help. What do these dreams mean Doc? He asks to see a picture of your home and quickly concludes that you don’t stand a chance in the world getting your home to appraise by a lender. Dream issue solved!

While there was some obvious parody and humor here often times as Realtors we do hear some of these things! If you have been getting very few showings, have not received an offer and constantly are being told that your home is overpriced you really need to figure out if you really want to move or not. If you can’t sell the home for what the market tells you it is worth then you shouldn’t have it for sale.

Are there times when the problem with a home selling is not just over pricing? Of course! There are any number of reasons that could contribute to a home not selling including lousy photography and real estate descriptions, poor internet exposure, lack of preparation and staging, as well as difficulty in showings. These are all things that can be changed.

The common denominator in all of these things is the agent you choose. This is why if you are truly interested in selling your home you want to work with someone who has a track record of actually being successful at their craft. An agent who intentionally overprices your home is NOT a good Realtor. There are plenty of Pinocchio’s holding a Real Estate license. Remember comparable sales data never lies – people do!

One last thought on properly pricing your home. The greatest Real Estate agent on the planet will rarely ever sell an overpriced home. The worst Real Estate agent can sell an under priced home all day long.

You can make up all the excuses in the world why your home isn’t selling but at the end of the 99% of the time it is the PRICE!

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**About the author:** The above Real Estate information on overpricing a home was provided by Bill Gassett, a Nationally recognized leader in his field. Bill can be reached via email at billgassett@remaxexec.com or by phone at 508-625-0191. Bill has helped people move in and out of many Metrowest towns for the last 26+ Years