



H O M E

Guide

On

Why You

Shouldn't Over

Price Your Home

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History proves that homes that are over priced stay on the market for much longer than fairly priced homes and pricing your home accurately is imperative to a timely sale!

But there's more to it than just that! Here are 9 reasons why you shouldn't over price your home!



FOR SALE

TAKES LONGER TO SELL

Properties that are overpriced take on average 2 months longer to sell than properties that have been accurately priced and well thought out.

On top of that, homes that have been listed first at a high price and then reduced to a more accurate price took the longest to sell out of all! It takes a reduced home an average of 3 months longer to sell than a home that was accurately priced to begin with!





FEWER PEOPLE WILL SEE YOUR LISTING

Since people generally search within their price range, a lot of people who would be your target buyers won't actually see your listing!

On top of that, it will also not compare well with other homes in the price bracket that it has been listed under and therefore garner less attention.

IT RAISES SUSPICIONS

It seems logical that if you list at a high price to test your luck, you can always reduce the price later if nobody is interested, reducing the price actually raises red flags and suspicions with potential buyers. They will ask themselves the question, why is that property not selling, why has it been reduced? This will naturally create a type of aversion to your property in their minds.



PROBLEMS LATER DOWN THE ROAD

If you do find a buyer at your original listing price, they are very likely to carry out a valuation by their mortgage lender. If they return a value significantly below the offer that you have accepted, you may enter into negotiations at a time when you thought you were well on your way, or the buyer could even back out of the sale completely, leaving you to start all over again.





NEWLY LISTED

Buyers prefer newly listed properties rather than properties that have been sitting for some time, again because it raises no suspicions in their minds. If you list at an accurate price initially, you could attract multiple buyers with the first impression which will naturally drive up the price if there is more than 1 party interested.

RELATIONSHIP WITH YOUR AGENT

You need to make sure that your estate agent is motivated and invested in selling your home. If you list for higher than the price that they recommend (you can do your own research and valuations too) they are likely to lose interest, thinking its going to be difficult to sell, or a long period of work that might need more work on price adjustments to eventually sell at all.

Estate agents also have a reputation to protect, so other could assume that they have mispriced the property and that they are not good at selling hence why your home has been on the market for so long.



CHANGES IN THE MARKET

Having a home on the market for an extended period of time puts you at risk of the market changing.

If property prices in your area start to fall, you might end up having to discount your home more than what you would have if you priced it accurately in the first place.



PROPERTY CHAIN

If your new home has already accepted your offer, you risk losing it if your home doesn't sell.

Property chains can be long and complex and not everyone will be prepared or able to wait for you.

On top of that, mortgage offers are normally only valid for a certain period of time and if your own home being stuck on the market exceeds that time, you'll need to apply again and pay fees again and causes more delays.





HIGHER AGENT FEES

With higher priced homes taking longer to sell, you might switch agents in the hopes of the new agent having a better success of selling your home. This of course could result in more or higher fees than you initially anticipated, which negates any money you would have made from pricing your home high in the first place.

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