

## **SELLING PROPERTY: Why overpricing as a selling tactic does more harm than good**

by Adam Smith

**When it comes to selling property, setting a price is one of the biggest decisions you will make during the selling process. Choosing the right price gives you the greatest chance at selling your home quickly and at the best possible price.**

Pricing your home may sound simple, but many sellers make a mistake that causes their property to sit stagnant on the market, and reduce the eventual selling price.



The mistake is pricing their property too high. Many sellers are under the impression that they need to add a margin to their home in order to achieve their actual price. Sellers assume that if they add a margin or in essence overprice their home, they will be more flexible when negotiating a price with buyers. This may sound logical in theory, but in practice overpricing only does more harm than good.

### **So why is overpricing a bad tactic?**

There are many downfalls to overpricing your home. Setting an unrealistic price is unlikely to draw buyer interest – in most cases your overpriced property can make other properties on the market look more attractive in comparison. After all, why would a buyer choose to purchase your home when they could get a similar property for significantly less?

The longer your property stays on the market, the less desirable it becomes to buyers. A property that sits on the market for a long period will often carry a stigma; buyers will assume that there is something wrong with the property and will be deterred from making enquiries. It can force the property's value down, leading you to accept a much lower price down the track than would have initially been offered if it was priced correctly.

### **Isn't pricing my home too low just as risky?**

Sellers often fear that if they price their home too low, they risk losing a substantial amount. However, pricing your home too high is far riskier than pricing it too low. If your property is priced slightly lower than comparable houses for sale, it will instantly draw more buyer interest than your competition. More often than not this leads to multiple offers being made. And, with a good negotiator in your corner this generally leads to your property selling at or above market value.

### **How should I price my property to achieve the best result?**

One of the main reasons properties don't sell is price. As an owner, we want to believe our property is worth more than it actually is. It is important to stay as impartial as possible and choose a price that's close to market value. What is market value? It's simply the price that buyers are willing to pay today for a particular property.

A good real estate agent can help you establish the correct price point by looking at recent sales in your area, your current competition, and the features and benefits your property offers. If your property is priced fairly, you're likely to achieve a quick result at (or above) your asking price.

To get an accurate picture of what your property is worth, [talk to one of the experienced Iron Bridge team, or book a free appraisal here.](#)