

## ***The price is right – or is it?***

by Brent Smith

How much is your property really worth? Set your price expectations too high and you'll struggle to get buyer interest. Set it too low and you'll find your home is snapped up for a bargain. When it comes to selling your house for the right price, there is a simple strategy you can take. And it all comes down to three factors.



### **1. Asking price**

Just as it sounds, this is the price your real estate agent will initially list your house at. Some agents may encourage you to overprice by going above the current market price. Others may use a shoddy tactic known as '[bait pricing](#)' (or underquoting) by using an unrealistically low price to lure in as many buyers as possible.

### **2. Current market price**

This is the fundamental value of your property. It's determined by your real estate agent, with a documented comparative market analysis, assessing your home's value based on the market now including recent sales and current homes for sale. Of course, your property could sell for more (or less) depending on factors such as market trends up or down and the skill of your agent as a negotiator.

### **3. Best selling price**

The third type of price is the amount your best buyer is prepared to pay for your house during a (hopefully!) well-run marketing campaign by your real estate agent. While some vendors and agents get themselves in knots trying to predict what this could be at the time of listing, it's usually only an educated estimate until that best buyer has been found.

### **Which price type should you use when listing?**

When the market was booming, many real estate agents encouraged vendors to set their marketing price well above the property's value. The fierce buyer competition at that time meant vendors often ended up with a record result.

However, things have changed. With many buyers being cautious and taking their time with assessing their options, a capable real estate agent needs to match their pricing strategy to the present market to get the best outcome for their client.

### **You need a skilled negotiator**

Your real estate agent's ability to negotiate has a huge bearing on what price your home sells for. Even if there are only one or two buyers interested in your property, a skilled agent will be able to obtain the price your property is really worth. (We explain more about what to look for when choosing a real estate agent [here](#).)

### **Know what the market is prepared to pay**

Rather than aiming unrealistically high, or too low, your marketing price needs to take account of recent sales (evidence) in the market. Your real estate agent should involve you in this pricing decision process and explain the rationale behind it. After all, it's potentially your largest financial asset at stake!

Accurately assessing what buyers are prepared to pay, and having a skilled negotiator on your side, will ultimately ensure you achieve a fantastic result – and the best selling price.

**To get an accurate picture of how much buyers will actually be willing to pay for your home, contact us to [arrange a free appraisal](#).**