

Home | [INSIGHTS](#) | Home Buying | Home Selling | Mortgage | Glossary | Credit | Income Taxes | Freelance

Real Estate & Mortgage Insights

Agent Dire

Should You Start Out with a HIGH Listing Price?

Because of the change in real estate market conditions, more sellers are competing for fewer buyers. So once again, it seemed important to challenge a long-standing "myth" of real estate.

"The initial listing price isn't *that important* because the price can always be adjusted down later."

Many homeowners believe this.

It is a myth.

Not true.

If most buyers first viewed your house because of a newspaper ad, a magazine, the internet, brochures, or the sign in your front yard, the initial listing price probably would not make a difference. The house would always be "new" to those seeing it.

But most buyers do NOT come to your house because of various types of advertising. That is the *another* myth.

Sure, buyers call on an ad, they often LOOK at that house, but not always. Once they talk to an agent, they may discover it isn't what they need (or want) at all.

However, they ARE talking to an agent. That agent knows the current inventory and will know of other property that DOES fit their needs.

Those are the properties that buyers look at, and THIS is how most buyers end up looking at *your* house, too. Because of other agents, not because of your ad.

Hardly anyone buys the house in the ad.

As a result, you need to get other agents interested in your property, and this is where your listing agent comes in...and why a good listing agent is extremely important. The listing agent gets buyer's agents looking at your home.

Those agents have clients who called in on *other* properties.

Buyer's agents are not swayed by advertising. They look at the needs of the client, where the client wants to live, location, condition, and other details of the property...

And most importantly....

...price.

Alabama
Alaska
Alberta
Arizona
Arkansas
British Columbi
California
Colorado
Connecticut
Delaware
District of Col
Florida
Georgia
Hawaii
Idaho
Illinois
Indiana
Iowa
Kansas
Kentucky
Louisiana
Maine
Maryland
Massachusetts
Michigan
Minnesota
Mississippi
Missouri
Montana
Nebraska
Nevada
New Hampshi
New Jersey
New Mexico
New York
North Carolina
North Dakota
Nova Scotia
Ohio
Oklahoma
Ontario
Oregon
Pennsylvania
Prince Edward
Puerto Rico
Rhode Island
South Carolin
South Dakota
Tennessee
Texas
Utah
Vermont
Virgin Islands

If your house is overpriced, agents are going to show similar homes that are priced more attractively. Your listing will get passed over.

Agents pay MOST attention to homes newly on the market. There are fewer NEW listings than current listings. It is easier to keep an eye out for what is NEW, compared to the vast number of current listings.

New listings are on the "hot" sheet circulated in real estate offices. The MLS computer identifies new listings. Your listing agent may hire a service to distribute fliers to all the buyer's agents. There are office previews and MLS tours to showcase new listings. A lot of attention is focused on what is NEW.

With agent's looking at newly listed homes so aggressively, a properly priced home gets attention.

An overpriced home gets passed over.

You may be thinking, "But I'm willing to negotiate!"

Buyers aren't thinking in advance about how much you are willing to negotiate. They are comparing your asking price to other asking prices.

Plus, when your house is new on the market, you may *not* be willing to negotiate as much as you will later, once you've realized your error. Keep in mind that statistics show, quite often, the first offer is the best offer.

So what happens if you overprice in the beginning and get more realistic later?

You don't have all those important Buyer's Agents looking at your listing because it is NEW. A price reduction later in the listing cycle often gets overlooked. It is just one of *many* listings, not one of a few new listings.

As time passes, you could actually become desperate to sell because you've accepted a new job or because you have already bought a new home.

That is a recipe for receiving lowball offers, so you could end up selling for less than if you had priced the home correctly in the first place.

Agents know this stuff, but many sellers still mistakenly believe they should "price it high" because they can lower the price later, if necessary.

That is not the best strategy.

© copyright October 2003 by RealEstate ABC, revised March 2006.
this entire page and all interior items protected by copyright

< [Real Estate & Mortgage Insights](#)

Virginia
Washington
West Virginia
Wisconsin
Wyoming

[Join the Agent Directory](#) | [Admin Your Directory Entry](#) | [Get a Newsletter & Content](#) | [Get Personalized Cal](#)