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## **Real Estate Listing Mistakes**

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By Harry Ridge

There is a right way and a wrong way to sell a home. Here are some of the wrong ways.

### **I Want to List it High Because I Know Someone Will Offer Less**

When a home seller interviews a real estate agent it's easy for them to get caught up in the excitement of choosing a sales price. If they can get more money for the home, it means more financial opportunities for the homeowner. Maybe it means they can afford to buy a larger, more expensive home, pay off some bills or take a vacation. Unfortunately, uninformed sellers often choose the listing agent who tells them they will list it at the highest list price. This is, by far, the worst mistake a seller can make.

### **Establishing Value**

The reality is that it doesn't matter how much money you think your home is worth. The only person whose opinion really matters is the buyer who is going to make an offer, and of course, the appraiser. Pricing a house is part science and part art. It involves comparing similar houses in similar communities, making the necessary adjustments for the differences between them, charting market movements and measuring the amount of housing inventory, all of this in an attempt to help determine a range of value. This is the same method appraisers use to evaluate a house. No two appraisals are exactly the same; they are however, generally close to one another. There is no hard and fast way to just stick a price on your home.

### **Is the Price Too Low?**

Houses sell at a price a buyer is willing to pay and a seller is willing to take. If a house is priced too low the seller should expect to receive multiple offers and drive up the price up to the market value. There is not much danger in pricing a home under its actual value and your competition. The danger is in pricing it too high and having the house sit on the market for months.

### **How It Starts To Go Wrong**

The seller of a home didn't interview her real estate agents. She pick the first agent off the Internet because, "He looked like a nice guy." The agent priced her house at \$250k. After 90 days of sitting on the market, the listing expired.

### **It Continues To Go Wrong**

The next agent she hired listed the house at \$235k. Months passed and eventually she dropped the price to just under \$220k, still no offers. A few people looked at the house, but no serious buyers came forward.

### **More Than a Year Later**

By the time she hired the last agent list her house, the seller had grown exhausted and weary. It was now more than 12 months later. The seller and her agent then priced the home at \$195k and it sold very quickly. The sad part is that the comparable sales in the neighborhood fully justified a price of \$220k, but the home had been on the market for too long at the wrong price, and now the market had slowed.

### **Protect Yourself**

The question is how much money expired listings cost the real estate owner? The financial losses often exceeds the extra mortgage payments paid and goes beyond the cost or the hassle factor of trying to keep a home spotless during the listing period. It affects the value that a buyer ultimately chooses to pay

because it is no longer a “fresh” listing. It's now stale, dated, a home that was overpriced for too long. Don't let it happen to you. Don't be that seller of an expired listing. Be sure to hire a professional Realtor to price your house correctly from the beginning.