

# **The Worst Home Selling Mistake a Seller Can Make**

## **#1 Home Selling Mistake**

There's a great saying in the real estate business. To succeed in life, you want to be:

- The First Child
- The Second Spouse
- The Third Realtor

And like with most sayings, there is some truth in that statement, as agents who pick up listings after sellers have made major mistakes will attest.

## **But We Want More Money**

When the average seller sits down to interview real estate agents; it's easy to get caught up in the excitement over choosing a sales price. More money means more financial opportunities for the homeowner. Perhaps it means the seller can afford to buy a more expensive home, help pay for their child's college education or take that greatly overdue vacation. Unfortunately, uninformed sellers often choose the listing agent who suggests the highest list price, which is the worst mistake a seller can make.

## **Establishing Value**

The truth is; that it doesn't really matter how much money you think your home is worth.

Nor does it matter what your agent thinks or ten other agents just like them think. The person whose opinion matters is the buyer who makes an offer. Pricing homes is part art and part science. It involves comparing similar properties, making adjustments for the differences among them, tracking market movements and taking stock of present inventory, all in an attempt to come up with a range of value, an educated opinion. This method is the same way an appraiser evaluates a home. And no two appraisals are ever exactly the same; however, they are generally close to each other. In other words, there is no hard and fast price tag to slap on your home. It's only an educated guess and the market will dictate the price.

## **Is The Price Too Low?**

Homes sell at a price a buyer is willing to pay and a seller is willing to accept. If a home is priced too low, priced under the competition, the seller should receive multiple offers to drive up the price to market value. So there is little danger in pricing a home too low. The danger lies in pricing it too high and selecting your agent solely on opinion of value.

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

The seller of a home didn't even interview the real estate agents. They plucked the first one off the Internet because, "He looked like such a nice guy." He priced their home at \$1.3 million. This agent never heard the local agents chuckling behind his back because he had not been in the field very long and didn't understand the current market trends. After 90 days, the listing expired.

## **Continues To Go Wrong**

The next agent, listed the home at \$1.1 million. Months passed. Eventually the price dropped to just under \$900,000. Still no takers. A few lookie-loos, but no serious buyers.

## **More Than a Year Later**

By the time the last agent was hired to list this home, the seller had grown weary and exhausted. It was now 12 months later. Together, the seller and their agent priced the home at \$695,000. It immediately sold for all cash. The sad part is the comparable sales in the neighborhood fully justified a price of \$835,000, but the home had been on the market for too long at the wrong price, and now the market had softened.

## **Agents Specialize in Expired Listings**

There is an agent in my office whose basic real estate practice is comprised of calling sellers of expired listings and relisting them at market value. He sits in a small room with a phone, desk and chair, dialing number after number. Last year he sold more than 30 homes valued at more than \$20,000,000, and he has 14 active listings right now. He makes a pretty good living repackaging overpriced homes.

## **Protect Yourself**

The question is how much money has those expired listings cost the sellers? The financial loss often exceeds the extra mortgage payments paid and goes beyond the uncompensated hassle factor of trying to keep a home spotless during showings. It affects the value that a buyer ultimately chooses to pay because it's not a fresh listing anymore. It's now stale, dated, a market-worn home that was overpriced for too long. Don't let it happen to you. Don't be that seller of an expired listing.