

## The danger of setting a price too high

**You must make the most of the very first time your property hits the market.**

**It's a very special time.**

All the realestate.com.au alerts come in. Buyers actively jump on the properties that they haven't seen yet. It's the time for peak interest.

The danger of pricing your property too high too early is that a lot of these buyers will actually dismiss it without even looking at it.

Price can be one of two things. It can either be the greatest motivator or the greatest demotivator.

If it's a reasonable price, a buyer will jump but if it's too high, buyers will just cross it off the list.

Buyers take a lot of time planning their open homes, working out what they want to go and see. They'll have ten open homes to look at on a Saturday. If they've done their research in the market place and your property is \$100,000 above everything else in the area, they are not going to waste their time having a



look at it because they think it is out of their price range.

**Price equals time.**

If you price your property closer to where the market level is in your area, you'll actually have more competition, more buyers and more inspections. You are more likely to create an emotional feeding frenzy. Buyers willing to engage in the property are likely to pay slightly more. That's how properties sell above list price. Competition pushes prices up. If you have multiple buyers all eyeing themselves off in the room, it's very easy for your agent to say, "This is a popular property. It's reasonably priced and if you don't buy it, someone else will".

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If you put your price too high you attract less inspections. If you do have one or two inspections, buyers will look around wondering, "If it is such a good buy, where is everyone?" It almost encourages them to start lower in their offers. However, if buyers start the process and they can see a lot of interest, a lot of competition, they know they're going to run the risk of missing out so they actually start their negotiating point higher as their first offer.

**Trust the process.**

