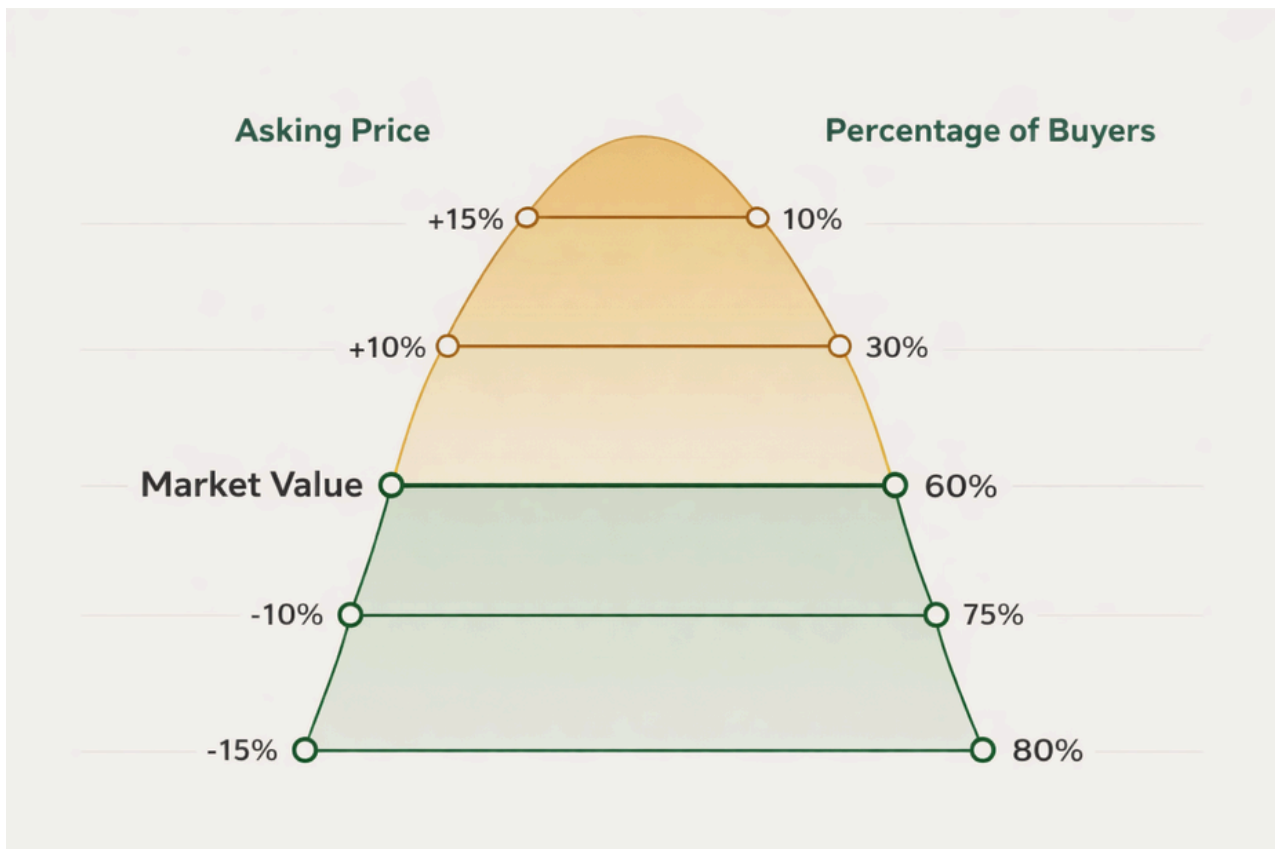


# The Importance of Pricing



This graph illustrates the importance of pricing a property accurately from the outset. The centre line represents true market value, where buyer demand and seller expectations are most closely aligned.

As a property is priced above market value, the pool of qualified buyers narrows significantly. Even modest overpricing can eliminate a large portion of potential purchasers, resulting in fewer showings, reduced competition, and a longer time on market. As interest declines, sellers may be forced to adjust their price later, often from a weaker negotiating position.

Conversely, pricing a property at or slightly below market value exposes it to a much broader audience of buyers. Increased visibility and interest can generate stronger early activity, create a sense of urgency, and, in some cases, lead to multiple offers. This competitive environment often results in a sale that is both timely and reflective of true market conditions.

# Why Market Value?

Pricing your property correctly from the beginning is one of the most critical factors in achieving a successful sale. In an ideal world, the sale price of your home would always align perfectly with your personal financial goals. In reality, however, a property's value is determined by the marketplace, specifically by what a qualified buyer is willing and able to pay at a given moment in time.

One of the greatest challenges for many sellers is separating emotional attachment from market reality. While your home may hold significant personal value, buyers evaluate properties objectively. They focus on location, condition, features, and, most importantly, price. The listing price you choose directly influences buyer interest, showing activity, and the overall outcome of your sale.

To avoid the common pitfalls of incorrect pricing, it is important to consider several key factors:

## **What are comparable properties selling for in your area?**

A Comparative Market Analysis (CMA) examines similar homes that are currently on the market, have recently sold, or failed to sell. By analyzing these comparable properties, a CMA provides a realistic estimate of your home's market value based on actual buyer behaviour rather than assumptions or expectations.

## **How quickly do you want or need your property to sell?**

Your timeline plays a significant role in pricing strategy. If a timely sale is a priority, pricing competitively from the outset is essential. Overpricing can limit buyer interest, reduce showing activity, and often results in longer market exposure. In many cases, homes that start too high ultimately sell for less than those priced accurately from the beginning.

## **What type of market are you selling in?**

Market conditions matter. In a buyer's market, higher inventory levels increase competition among sellers and place downward pressure on prices. In a seller's market, limited inventory can drive stronger demand and higher prices. In a balanced market, where supply and demand are relatively even, stable pricing trends make accurate list pricing especially important. Regardless of market conditions, pricing your property in a way that attracts strong interest and potential multiple offers gives you the best opportunity for a successful sale.

# Why Days on Market Matter

A common question buyers ask is, “How long has this home been on the market?” While it may seem harmless, the answer can significantly influence how a property is perceived and how successfully it sells.



## The Power of a Strong Launch

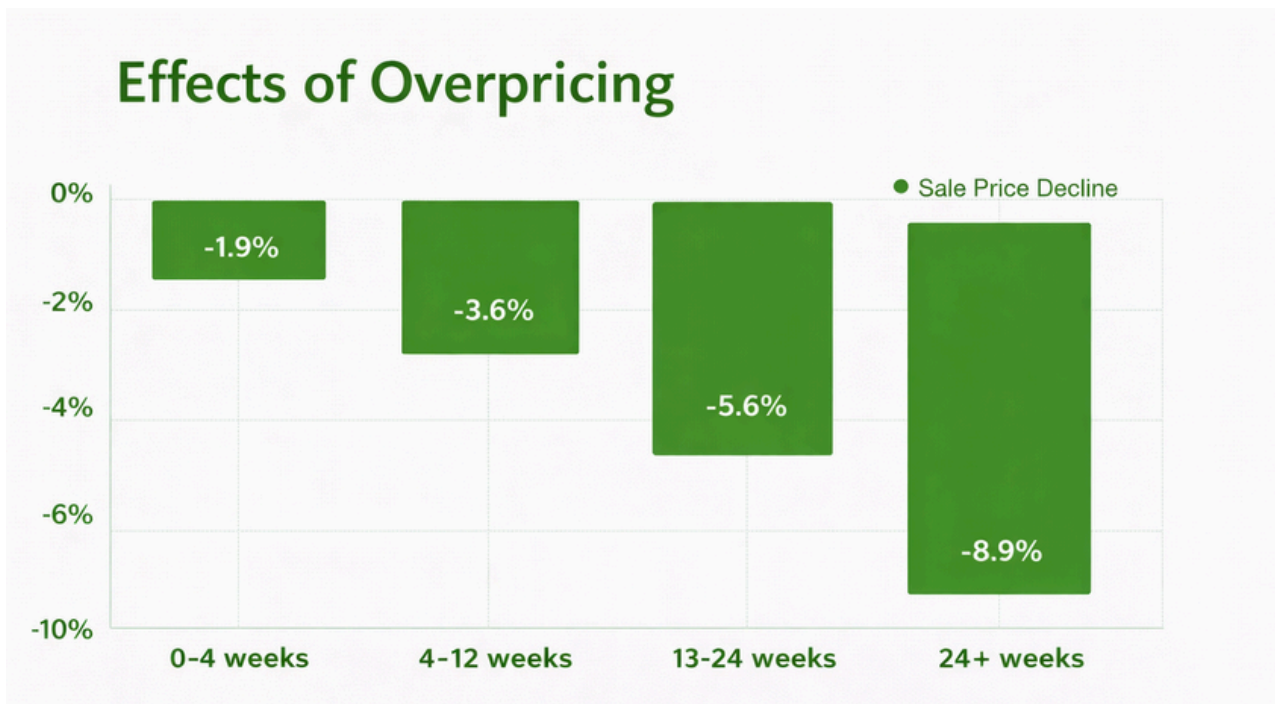
New listings typically attract the highest level of interest, as motivated buyers are eager to view the home and act quickly. As time on market increases, buyer interest often declines and perceptions begin to shift. Extended days on market can lead buyers to question the price or assume there is an underlying issue, even when the home is in excellent condition.

## Pricing Sets the Tone

In most cases, prolonged time on the market is the result of overpricing. To keep days on market low and maintain strong negotiating leverage, it is essential to price competitively from the start and take full advantage of the critical first two weeks of marketing to create urgency and buyer interest.

# Effects of Overpricing

Pricing a property above market value almost always leads to a longer selling process. Instead of selling within the first few weeks, an overpriced home may remain on the market for months, requiring repeated showings and open houses while buyer interest steadily declines.



As time on market increases, the final sale price often decreases. Market data consistently shows that the longer a property sits unsold, the more likely it is to sell for less than it would have if it had been priced accurately from the beginning. Extended exposure reduces urgency, weakens negotiating power, and can result in price reductions that ultimately work against the seller.

In many cases, a realistic starting price leads to stronger early activity, better buyer engagement, and a higher likelihood of achieving market value or better.

## Best practices to avoid the effects of overpricing:

- Position your property competitively from the outset
- Make a strong first impression during the initial launch period
- Keep the home in excellent showing condition
- Maintain momentum through strategic pricing and marketing