



*Thomas Ervin*

## **Let's Talk About Real Estate**

### **“THE PRICE REDUCTION”**

Everyone who sells a home wants the highest possible price. Sometimes, the only way to get the highest price is to reduce your present asking price. Most homeowners who have placed their homes on the market are hesitant to reduce the asking price prior to receiving an offer. This is understandable. There are, however, certain circumstances that dictate a price reduction may be necessary to get the house sold. Let's look at some of the important considerations:

**THE ORIGINAL PRICE:** Was the original asking price for your home correct? Who set the original asking price? If you, the owner, set the price, were you realistic in your expectations? If the Realtor® set the price, was it based on a careful study of comparable properties? It has been my experience that the homeowner usually plays a major role in setting the price. Once the asking price is set, the owner may become very rigid when asked to consider a price reduction in order to make the home more competitive with surrounding homes. In order to sell your home at the highest possible price, it may be necessary for you to reevaluate your asking price from time to time.

**SHOWINGS:** If there are not many showings on your home, pricing may be the problem. When buyers are considering which homes to see, they may feel that your home does not offer enough features when compared with other homes in your price range. If there are many showings but no offers, price may be the problem. Your home may include the features and location that attract showings, but, upon closer inspection, buyers may feel the price is not justified.

**MARKETPLACE:** Perhaps the marketplace has changed since your home first became available. Although the original asking price may have been correct at the time of listing, it may no longer be adequate to attract buyers away from competing homes. Real estate values do fluctuate. They respond to changes in the economy, interest rates, local taxing and zoning decisions.

**ADVICE:** Consider your Realtor's advice regarding a possible price reduction.