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When to adjust your asking price

No one goes on the market for fun. When you place your property up for sale you want to see a result and achieve the best price possible within a reasonable time frame.

It is natural to want to maximise that price and you certainly don't want to sell too cheaply.

When you first put your home up for sale, you will have a target price in mind. A 'hope-to-get' price. This is likely informed by appraisals from real estate professionals, online value estimates and recent nearby sales of similar properties.

But sometimes, the market doesn't play ball. You might be sitting there after 3-4 weeks, wondering why you haven't had any offers? Do you keep holding out for your 'hope-to-get' price or do you bite the bullet and meet the market?

In this article, I discuss adjusting your asking price.

Are your expectations still accurate?

Markets can change quickly. Interest rates go up, bank criteria get tougher, and more properties come up for sale. All these factors can affect what buyers are prepared to pay for your home. As a seller, it is important to keep reflecting on what price you are expecting, to understand if it is still in line with market conditions.

If you aren't getting any action on your property after weeks on the market, it is highly likely your expectations or asking price are too high.

'But I hate losing...'

It is natural to feel like you are giving up something when you drop your price expectation, but you can't lose something that isn't there in the first place. You can only deal with what the market is serving up right now. Stewing over the price you would have got if you had sold last year is a waste of time. You weren't on the market last year, you are on the market now.

A better question to focus on is:

"Does the current, realistic market value of our property allow us to move on and do what we want to do?"

If the answer is yes, make the adjustments to your price expectation and get moving.

If not, you can wait it out for a fluke high price (they do happen, but it is rare in a downturn) or take your property off the market and make other plans.

Play the what-if game...

Another exercise that can help with managing expectations is to consider what your home would have been worth 12 months ago. For most properties, that figure might be similar or less than what you could sell for today.

Sellers who sold 12 months ago would likely have been ecstatic at the time, selling in a rising market and getting a record price. But now, because the market has gone up and come back down, current sellers feel like they are getting a raw deal by missing out on the peak of the market.

Try to keep in mind that timing the market is ridiculously hard. It is only a tiny fraction of sellers that would have been lucky enough to sell right at the peak of the price rise. And even then, they likely had to buy at the peak of the market too.

Instead, focus on what is possible now and whether that allows you to achieve your goals. If so, get your asking price in line with the current market and get moving.

Ask yourselves:

If we were sitting down today with an unconditional cash offer, what would we accept?

Once you know that number, set your asking price as close as possible and let the market know through advertising that price.

Keep reviewing your price expectation every 2-3 weeks (by using the questions in this article) until you either find a buyer or decide to stay put.

If you would like an opinion on the likely sales price of your property in the current market, please get in touch.