

DRAWBACKS OF OVERPRICING

REDUCES ACTIVITY: Agents won't show the property if they feel it is priced too high.

LOWER ADVERTISING RESPONSE: Buyer excitement will be with other properties that offer better value.

LOSS OF INTERESTED BUYERS: The property will seem inferior in amenities to other properties in the same price range that are correctly priced.

ATTRACTS THE WRONG PROSPECTS: Serious buyers will feel that they should be getting more for their money.

HELPS THE COMPETITION: The high price makes the others look like a good deal.

ELIMINATES OFFERS: Since a fair priced offer will be lower than asking price and may insult the seller, many buyers will just move onto another property.

CAUSES APPRAISAL PROBLEMS: Appraisers must base their value on what comparable properties have sold for.

LOWER NET PROCEEDS: Most of the time an overpriced property will eventually end up selling for less than if it had been properly priced to begin with, not to mention the extra carrying costs.

