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Ten Ways To Know Your Home Is Overpriced

March 1, 2013 by Bill Gasset — 25 Comments

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Pricing a Home For Sale

Overpricing a home is one of the biggest blunders in Real Estate. In fact when you overprice your home it is one of the hardest things to recover from even if you end up reducing later on down the road. After being in the Real Estate industry for the last twenty six years it has become common place to see overpriced homes languish on the market. *Pricing a home for sale*

properly is critical part of any successful real estate equation!

You see it so many times over and over by sellers who think their home is worth more than the next guy down the street. I suppose it is human nature for all of to think anything we own is better. Sometimes a seller's misguided belief is fueled by some foolish Real Estate agent who has misled them intentionally just so they can get a listing.



"If you'd like to know if you got the job or not, go to www.NotinaMillionYears.com, where the answer is posted."

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This is one of those dirty little things that happen in my industry that makes me sick to my stomach. While at times a seller will see right through a Realtors BS, there are times where a persons judgement can become clouded. Everyone wants to believe they have the best of the best.

One of the better ways in choosing a Realtor to work with is to go with someone who does not "need" your business. You will get a much more honest evaluation of your property when working with an agent who is not worried about where their next sale is coming from!

A Real Estate agent who doesn't do a high volume of business will have a much greater fear of losing out on a listing and therefore could inflate the suggested value. Real Estate overpricing is very common with an agent who is worried about where their next transaction will come from.

How To Know Your Home Is Overpriced

- You interviewed three Real Estate agents to give you the market value

of your home. None of them told you what you wanted to hear so you continued to conduct [Real Estate interviews](#) until you found that Realtor who was just so agreeable they were an amazing agent in your eyes.

- You figured out your asking price by calculating what you paid for the home even though the market has dropped for five consecutive years in a row. During that time you failed to watch the news or read the newspaper and instead decided to imitate Rip Van Winkle. As far as you know a [short sale](#) is when Macy's has a 24 hour mark down on their merchandise.
- After calculating what you paid for the home, you went on to figure out all the awesome improvements you have made to the home including the wonderful above ground pool from Walmart, the new septic system so the toilets flush, the ultra rust proof galvanized nails on your new Masonite siding and the Chinese dry wall you just installed in your basement. You have been extra careful to let your agent know how incredible these home improvements are for getting top dollar.
- Your home has been on the market 359 days. You are less than a week away from your one year anniversary. In that time you have had a birthday and gone through nine holidays. The Spring market that you missed last year is already here again.

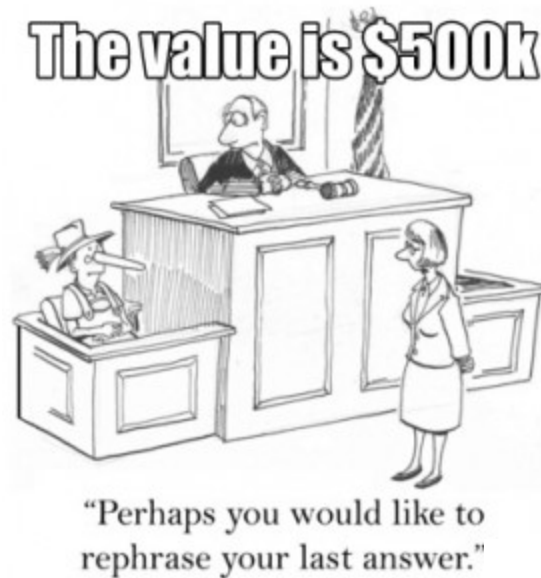


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- Your home has a couple showings a month but a similar home down the street has had a parade of people walking through almost every other day. The feedback you have been getting is that your home is overpriced. You conclude that people are just lying for some unknown reason.
- Five other homes just like yours have sold in the neighborhood over the last year. Well maybe not exactly the same because you painted a large portion of the interior of your home a shade lighter than Barney, realizing of course that even though it is not an earth tone, buyer's love purple.
- You start asking your Realtor to put a full page spread in the NY times about your home, crying that it must be the Realtors marketing that is not getting the job done. In fact you also want round the clock display advertising in all the local newspapers as well. The internet is just not working dam it!
- You come to the conclusion that your home needs an open house every Sunday for the next three months. A couple hours is not good enough either. You want the agent there all day. Despite seeing the statistics that say less than 2% of all homes are sold through an open house, you want to shoot for that 2%.
- Suddenly you start to have very vivid dreams at night about getting a cash buyer. The dreams become so strong that you are having a tough time getting a good nights sleep. You visit your trusty psychologist asking for help. What do these dreams mean Doc? He asks to see a picture of your home and quickly concludes that you don't stand a chance in the world getting your home to appraise by a lender. Dream issue solved!

While there was some obvious parody and humor here often times as

Realtors we do hear some of these things! If you have been getting very few showings, have not received an offer and constantly are being told that your home is overpriced you really need to figure out if you really want to move or not. If you can't sell the home for what the market tells you it is worth then you shouldn't have it for sale.



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Are there times when the problem with a home selling is not just over pricing? Of course! There are any number of reasons that could contribute to a home not selling including lousy photography and real estate descriptions, poor internet exposure, lack of preparation and staging, as well as difficulty in showings. These are all things that can be changed.

The common denominator in all of these things is the agent you choose. This is why if you are truly interested in selling your home you want to work with someone who has a track record of actually being successful at their craft. An agent who intentionally overprices your home is NOT a good Realtor. There are plenty of Pinocchio's holding a Real Estate license. Remember comparable sales data never lies – people do!

One last thought on properly pricing your home. The greatest Real Estate agent on the planet will rarely ever sell an overpriced home. The worst Real Estate agent can sell an under priced home all day long.

You can make up all the excuses in the world why your home isn't selling but at the end of the day 99% of the time it is the PRICE!

About the author: The above Real Estate information on **overpricing a home** was provided by Bill Gassett, a Nationally recognized leader in his field. Bill can be reached via email at billgassett@remaxexec.com or by phone at [508-625-0191](tel:508-625-0191). Bill has helped people move in and out of many Metrowest towns for the last 27+ Years.

Thinking of selling your home? I have a passion for Real Estate and love to share my marketing expertise!

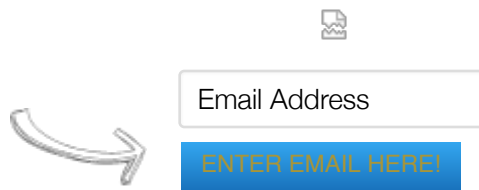
I service Real Estate sales in the following Metrowest MA towns: Ashland, Bellingham, Douglas, Framingham, Franklin, Grafton, Holliston, Hopkinton, Hopedale, Medway, Mendon, Milford, Millbury, Millville, Northborough, Northbridge, Shrewsbury, Southborough, Sutton, Wayland, Westborough, Whitinsville, Worcester, Upton and Uxbridge MA

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About Bill Gassett

Bill Gassett is a nationally recognized Real Estate leader who has been helping people move in and out of the Metrowest Massachusetts area for the past twenty seven plus years. He has been one of the top RE/MAX Realtors in New England for the past decade. In 2013 he was the #1 RE/MAX agent in Massachusetts. Connect with him on [Google+](#)

Comments



[Ken Montville](#) says

March 1, 2013 at 5:50 pm

What a hoot! Right on the money, too. I can't count the times I've spoken with people getting ready to sell their home and listened to an endless list of "home improvements" that were sure to increase the value of their home.

Some people just want to list their home. Others want to get it sold!

[Reply](#)



[Bill Gassett](#) says

March 1, 2013 at 5:57 pm

Thanks Ken. There are so many home seller's who mistakenly believe that everything they do to their homes adds value. Of course there are

many things that do very little to increase a homes market value.

[Reply](#)



Peter Petridis says

March 1, 2013 at 6:07 pm

Bill,

This is a great article to read! We all at one point or another had one of these listings that you can not sell. The sellers do not want to admit the price is too high. I had a listing like this and the seller turned down a \$2.5M offer two years ago. He wanted an additional \$50K and did not take the deal. Two years later he still has the home on the market and has paid \$200K in carrying cost to maintain the home.

[Reply](#)



Bill Gassett says

March 1, 2013 at 6:09 pm

Peter it is just amazing how many seller's are so short sighted when it comes to market value. Your example of the true cost of a missed opportunity is spot on!

[Reply](#)



Andrea Swiedler says
March 1, 2013 at 7:48 pm

What more can I say? Well, I could say a lot more on the subject and already have. I have no respect for anyone who buys a listing, and feel for the owners. But with all the news, all the information out there.... Thanks for the laugh, despite the fact this is a very, very serious issue.

[Reply](#)



Bill Gasset says
March 2, 2013 at 7:43 am

Andrea while the article takes a humorous look at overpricing in Real Estate, you are correct as this is a serious issues. In fact misleading a home owner on the value of their home is against the code of ethics we subscribe to. Unfortunately like every other business a few bad eggs can ruin things for the majority of us. There will always be Realtors who will tell a seller what they want to hear because they can't land business otherwise.

[Reply](#)



John White says
March 2, 2013 at 11:35 am

Spot on Bill. As I always tell my agents, I can sell a pink house with blue

shutters, with a leaky roof, and on a dirt road...for the right price! Real estate is nowhere near as complicated as many in our industry would like others to believe!

[Reply](#)



David Grbich says

March 3, 2013 at 10:07 am

Hi Bill – love it – a humorous take on a serious issue for a home seller. Amazing that when they see sold comps that they believe that their home is worth so much more.

[Reply](#)



Bill Gassett says

March 3, 2013 at 2:10 pm

Dave – I have met so many seller's over the years that believe every improvement they make to their home adds value. Of course when you are in the business you know this is way off base.

[Reply](#)



Rich Rosa says

March 3, 2013 at 10:45 am

This post is especially important, I think, in the current Massachusetts/Greater Boston real estate market. If a home is on the market more than about 30 days, it is pretty evident to home buyers the place is overpriced or has a fairly serious defect. Nice job Bill.

[Reply](#)



[Bill Gassett](#) says

[March 3, 2013 at 2:11 pm](#)

Thanks Rich. Whenever there is very low inventory and a lot of buyer activity that would certainly be true. Overpricing a home is a kiss of death.

[Reply](#)



[David O'Doherty](#) says

[March 3, 2013 at 1:01 pm](#)

Funny Bill, I turned down a listing last week when I told the seller (a former agent himself) the absolute most his house would sell for would be \$154,000 and he wanted to list it for... ready...\$168,500!

[Reply](#)



[Bill Gassett](#) says

[March 3, 2013 at 2:12 pm](#)

Dave sometimes I find Realtors are the worst offenders of overpricing when it comes to their own homes.

[Reply](#)



[Marco A. Micieli](#) says
March 3, 2013 at 3:17 pm

Many key factors are mentioned here. Feedback is best achieved conventionally from agents showing and prospective clients walking through.... However, there is a significant personality trait that these sellers all have in common.... They are out of touch with either their own finances and that they are not understanding where the numbers fall because it's being presented on paper.

I believe that the best way to know what the value is of your home is to actively take your clients within a 5 minute drive and show them everything that is in their direct competition. New home sites would not be a fair comparison as builders tack on 4-7% per year of appreciation of something that is current. Those houses from the builder are 18-24 months of being built and many new home owners like the fact of not separating with their money right away therefore enjoying 5% down 4 months at a time over the course of a year, for example.

Unless people are motivated to move then rarely will they be realistic on market terms.

Showing is selling and telling is the same as yelling.

I have 3 really great exercises to help determine value. I have a 7x2 step

process to ensure a house sells for the most money in the shortest amount of time.

MM

[Reply](#)



[Bill Underdown](#) says

March 7, 2013 at 11:20 am

Great article, a key element now spelled out on my purchase agreements includes “the property must appraise at or above purchase price”. The lender’s appraisal is playing a key role in the transaction and often is based on limited comps.

[Reply](#)



[Gareth Ellzey](#) says

March 8, 2013 at 11:04 am

I really enjoyed this about article about how to price a home for sale AND the comments. I shared your article on my Facebook page. Thank you.

[Reply](#)



[Gail Hartnett](#) says



March 9, 2013 at 10:39 am

Great article, Bill. May I include this with my listing presentation? Would you believe that this happens in Boise, Idaho too? 😊 Go figure! Gail

[Reply](#)



Bill Gassett says

March 9, 2013 at 11:20 am

Thanks Gail! By all means put it in your listing presentation. How to price a home properly is the key to selling real estate!

[Reply](#)



Charita Cadenhead says

March 14, 2013 at 9:46 am

Bill I would have to say that this is sadly humourous because it is true. The one at the top of the list is so true that it's eerie.

[Reply](#)



Cameron Harter says

April 9, 2013 at 6:46 pm

I love your #4.. um. yeah... Great list. I'm keeping this for some of my clients that refuse to believe me. Thanks man

[Reply](#)



[Bill Gassett](#) says

[April 9, 2013 at 8:53 pm](#)

Cameron it is funny how some seller's see their own home differently than everyone else does. Of course pricing a home for sale is an art. When the evidence of overpricing is stacked against you it is a must to just decide if you really want to sell or not!

[Reply](#)



[Brad Yzermans](#) says

[May 8, 2014 at 12:57 pm](#)

Bill, very funny....just a hit of sarcasm:-) But seriously, I can't blame the homeowner. I think a large part of the problem is RE agents pumping up the homeowner and supporting their belief in the value in order to get the listing.

I have had three purchase loan in the last 45 days come in with appraisals that are \$10-\$20K lower than the sales price and the sellers all have cancelled refusing to reduce their price....they say they are waiting for an all-cash buyer to come in and pay more than FMV market price.

At the end of the day, most/many agents are not educating their sellers properly.....or if they are trying to educate them, the home owner has no trust in them and don't believe what the agent is telling them about the market or their home. Not having credibility is an agents problem in my opinion.

[Reply](#)



[Kerry Lucasse](#) says

November 17, 2014 at 11:14 pm

I was nodding my head and chuckling as I read this article and then I realized it was you, Bill. One of my favorite Active Rain bloggers!

Good stuff as always!

[Reply](#)



[Bill Gassett](#) says

November 18, 2014 at 8:24 am

Thanks Kerry. I think we have all run into the seller that loses perspective on what it takes to sell a home. Often times the seller who has overpriced their home will try to make every excuse in the world as to why it is some other reason the home has not sold.

[Reply](#)

Trackbacks

Real Estate Agents Misleading Seller's On Market Value|MA Real Estate says:

April 22, 2013 at 10:36 am

[...] at! This is a real dangerous game that almost always ends up disastrous for a seller. Improperly pricing a home coming out of the gate is one of the worst things you can do because it is real hard to recover [...]

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