

7 Costly Mistakes when Selling a Home

1. Trying To Time The Market

Most of the time this happens because the Seller believes they may net more money during certain seasons of the year, such as spring or summer. In reality many Sellers may be thinking that same thing. Theoretically, more homes do get listed during the spring or summer creating more supply of homes for the Buyers to choose from and therefore creating more competition for each Seller. In some cases in order to compete with the larger supply of homes, Sellers may have to reduce their price in order for their home to stand out to a Buyer among the larger supply of homes during certain seasons.

2. Over Improving the home for the neighborhood

This happens when additions and upgrades make the home stick out from its competitors so much that it seems abnormal instead of a nice addition to the neighborhood.

3. Pricing the home based on what the seller wants to net

This pricing strategy commonly ends in failure. Sellers can control the “asking” price, but they don’t control the “sales” price. The market does. It doesn’t matter what the Seller believes their home may be worth. The price is determined by the black and white or matter of fact reality of comps in the market.

4. Hiring an agent based on non-business factors

Make sure you hire a professional with a proven track record. It might be nice to hand over your largest asset to your friend or relative who may have just gotten their real estate license, but make sure you get a second opinion from a professional seasoned agent with a proven track record before you list your home.

5. Getting emotionally involved in the sale of the home

This is one of the biggest challenges home Sellers face when putting their house on the market. Once you decide to sell your house, it’s no longer a home, but a commodity. It needs to be prepared, marketed and priced as a commodity. It’s really not a matter of what you think your home is worth, but what the market can bear on pricing. People are going to come in to ‘kick the tires,’ and you can’t get emotional about how they may or may not appreciate all the amenities of your home.

6. Trying to cover up problems, or not disclosing them

Most states have a property disclosure/disclaimer form—use it wisely. Just because you disclaim, it doesn’t mean you can’t be challenged later for the leaky basement, or dilapidated heating/air system that’s discovered 30 days after close of escrow. Speak to a professional agent about your choices.

7. Not getting your ducks lined up before trying to sell

This would include financing; reading the fine print on your current mortgage to ensure that you don’t have pre-payment penalties; not listening to the particulars of your local market, etc...If your local market is dictating lower home prices, then lower it early, not later—it will end up costing you more. If the local market dictates selling your home first, then buying a second, do it in that order or vice versa.