

Why pricing is key if you want to sell your property quickly

When buyers are looking for their dream home, their first priority is not just 'location, location, location', according to Lloyd Hobson, national sales manager of Leadhome. What they care about most is 'price, price, price'.



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One of the biggest mistakes that sellers make is to overprice their homes, he says. The old approach of 'list high and consider offers' simply doesn't work with a modern consumer who does extensive homework online and only views homes where they see value.

"If you want to sell your home quickly in the current competitive market, you have to price correctly for your neighbourhood. The first thing potential buyers look at in their home search is price – and no matter how perfect the house, if the price doesn't line up with what the home offers and the buyer's budget, you've potentially lost them forever," says Hobson.

List attractively, be less negotiable

Leadhome data shows that in the first 21 days after listing, sellers will access 85% of all the buyers who would potentially be interested in a home. That means sellers will quickly know whether their pricing is on the money: "If you're not getting feet through the door, you're clearly missing the mark," says Hobson. "Rather list attractively, and be less negotiable on your price than list too high and get low to zero interest."

In fact, listing your home above market value could make it sit on the market for months, and make buyers wonder why it is not selling. Even if the seller subsequently drops their price, they will have lost most of their traction with their prime target audience.

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Highly competitive market

Hobson says the market is currently highly competitive as the pent-up demand of the post-lockdown period starts to wane. While interest rate cuts provided a 'massive stimulus' to the market, demand has slowed as signs of consumer distress start filtering through. Leadhome saw 3,631 buyer enquiries in the first 14 days of August; that dropped to 3,044 in the first 14 days of September, and 2,673 in the first two weeks of October. Overall, there was a 21% decline from August (7,434 enquiries) to September (6,185) alone.

"We're going to see a lot of keenly-priced properties coming into play in the coming months, which makes getting your price right even more critical. Last year, 14% of our sales were due to emigration – and if we add the expected wave of distressed properties coming onto the market, this will drive prices down even further as the buyer pool will not be able to sustain those levels," says Hobson.

He cites the example of Johannesburg's Parkhurst where there was an average of 140 live listings in 2017-2018. The suburb currently has more than 175 live listings, driven largely by overpriced properties not reflective of current market conditions, distress and emigration.



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Answer lies in the data

So how do you price correctly in the current market? The answer lies in the data, says Hobson. "Get an agent who knows the area – and then ask to see their price data. This is a highly volatile market where sellers need to understand that market conditions can change weekly. An agent who has live data available to them will be in a far better position to provide the objective advice and guidance that you need to attract interest immediately and get the best price the market is willing to pay, as quickly as possible."