

What to consider when deciding to adjust your price



1. **Time Theory of Value:** the price that someone is willing to pay is directly proportionate to the length of time on the market. In other words, the higher the price, the longer it will take to sell a property. If you are ready to curtail the length of time on the market, adjust the price.
2. **Pyramid of Value:** the number of buyers willing to purchase a piece of property is inversely related to the price. This means that the lower the price the more people will be willing to purchase a property. If you want more buyers to consider your property, adjust the price.
3. **Reluctance to reduce a price is very costly to a seller.** Some of these costs are easily calculable such as double house payments or double utilities. Other factors of a more personal nature affect the harmony of the household and create a tension that takes its toll on a family. These include separation where one spouse moves on to a new location and the other spouse remains behind with the family, the stress of keeping a home in showable condition, the uncertainty of not knowing when you will move or where you will move to, the inconvenience of leaving during showings, etc. A wise seller will calculate these costs in real dollar terms as part of the decision to adjust.
4. **Future plans should be considered.** If the home a seller is buying is larger and in an area that is continuing to appreciate, the value that a seller would gain by holding firm on his price when compared to how much the price of his next home will continue to rise, will diminish any gain in equity that would result from standing firm on his price.
5. **A market is dynamic and should regularly be re-evaluated** relative to what properties have come on market and what has sold since the property was listed. A market can shift dramatically in a short period of time and no amount of seller angst or need to maximize equity will change the price that a buyer is willing to pay. Remember that it is the buyer who ultimately sets the price based on a very myopic examination of what is available in the market at any given time.