

## Price Reductions

When you sell, you want to net the most out of the sale. If no buyers are making an offer, an aggressive remedy is to reduce your asking price.

You should consider the following:

Time Theory of Value: the higher the price, the longer it will take to sell a property. If you are ready to sell, reduce the price.

Pyramid of Value: the lower the price the more people will be willing to purchase a property. If you want more buyers to consider your property, reduce the price.

Reluctance to reduce a price is very costly. Some costs are obvious like double house payments or double utilities. Others are personal and affect the harmony of the household:

Separation of the family when one spouse moves to the new location and one stays behind with the kids

Stress of keeping the home in show-able condition

Uncertainty of not knowing when or where you will move

Inconvenience of leaving during showings

Calculate these costs in real dollar terms in deciding to reduce.

Consider your plans. Is the home you are buying larger or appreciating? The increase in value in your next home could diminish any gain in equity that comes from standing firm on your list price.

A market is dynamic and should regularly be re-evaluated. Look at what has come on the market and sold since you listed. 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 selling price.