

## Overpriced Listings Are the Agent's Curse — and the Seller's Downfall

This Monday I released a listing that I shouldn't have taken in the first place. And, on the very same day, I took a listing that was a true counterpoint to it.

The listing I released was overpriced at the insistence of the seller, who made the most common mistake sellers make, which is to assign value based on what they spent on the home rather than what the market says it is worth.

Agents don't set the market value of a home, and even a willing buyer, unless he or she is paying cash and waives the appraisal contingency, does not set a home's value. A home's value is determined by the recent sale of comparable homes.

Yet, some sellers cling to the belief that because their financial basis in their home is "x" dollars, they should get "x" — or more. That's not how markets work.

When I encounter a seller who has an inflated sense of what his or her home should sell for and won't accept any broker's opinion

that is lower, I am happy to let others waste their time marketing it. If the seller insists on employing me for whatever reason — usually my more extensive marketing effort — my practice is to suggest a pre-listing appraisal by a licensed appraiser. The seller must front the cost of the appraisal, but I will reimburse them for its cost at closing out of my commission — and I put that promise in my listing agreement.

The appraisal for the listing I just released came in \$150,000 below what the seller wanted as a listing price, which shocked even me. Perhaps that's why I agreed to list it for "only" \$100,000 over the appraisal — a big mistake. Not sur-

prisingly, the feedback from the few showings we got was that the home was seriously overpriced — and one of the agents giving that feedback was also an appraiser.

Because the seller would not reduce the price significantly, I released the listing. All the time I had invested in staging, vendor support, and marketing, including production of a video tour, had been wasted, and I had only myself to blame.

By contrast, the seller of a listing I took on Monday had an attitude that was the polar opposite. When I told him what his home should sell for, based on my own analysis of recent comps, he told me that he didn't want to list it at a "wished for" price — he wanted to sell it. Only after I showed him comps supporting my suggested price did he accept my recommendation.

This week's lesson was one I had learned in the past. I don't want to re-learn it in the future!

### REAL ESTATE TODAY



By JIM SMITH, Realtor®

### This Week's Featured New Listing:

#### Ranch Home on ¼-Acre in South Golden

The highest and best use of this home at 17076 W. 12th Ave. may well be its present use — as a rental to four students from the School of Mines — or it could once again be the single-family home it was built to be. With four bedrooms and 2½ baths, plus an oversized 2-car garage and lots of basement storage, it has a spacious feel about it — especially outdoors on its quarter-acre lot. The large covered patio is an attractive feature, as are its gleaming hardwood floors and large eat-in kitchen. Like all Golden homes, it is close to open space trailheads and all that makes Golden a great place to live. Shopping and restaurants are a couple blocks away on South Golden Road, and a city park is just across Ulysses Street. Take the online tour, then call me for a showing!



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