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5 Strategies for Setting Seller Pricing Expectations

One of the most difficult aspects of a real estate agent's job is to manage a seller's [pricing expectations](#). In today's shifting real estate environment, where numerous homes are sitting on the market for longer periods of time, it's even more important to have realistic pricing conversations with sellers at the onset.

Here are five tips to help real estate agents better navigate and manage sellers pricing expectations today:

1. Analytics: Analytics are key to keeping sellers' expectations in check. The numbers don't lie. As an agent, you should share with your seller the most recent comps and market trends. Analyze the material on a granular level to clearly communicate what is moving, what is lingering and why. In addition to direct comps, look at the neighborhood as a whole.

Are two-bedroom homes moving more swiftly than one-bedroom homes? Are properties on the south end of town moving faster than the north end of town? It's critical to get as much intel as you can through [open house](#) activity, buyer profile (if under contract), offers, and activity after a price adjustment.

2. Timing: Even if a property is competitively priced, it may still sit longer than anticipated. Agents must understand how important timing is to their sellers. If they needed to sell yesterday, it's worth discussing a more aggressive pricing strategy to appeal to buyers as a value play.

3. Proper Pricing: Proper pricing is key to selling a property in any market, but the way you determine the price may vary from a seller's market to a [buyer's market](#). In a seller's market, pricing relies on a price-per-square-foot analytic, while in a buyer's market it can lean toward a more price-point driven strategy.

4. Showing the Competition: One of the most compelling things an agent can do to manage a seller's pricing expectations is to take them to see their competition in person. They will immediately understand where they stand with prospective buyers and it can encourage them to declutter, repaint or stage as you suggested initially.

5. Be Realistic: Pricing is not an exact science and, in today's market, it's even more challenging. It's important to communicate with your seller at the onset and discuss what challenges may lay ahead, i.e., if we are on the market for X amount of time with no offers, will you have a price adjustment?

In short, the more [communication](#) supported by analytics with your seller, the better!

Authors:

Louisa Gillen and Chris Palminteri are co-founders of The SIMPLE Real Estate Co., the first residential real estate brokerage firm designed specifically for sellers. Gillen and Palminteri founded SIMPLE to thrust the stale, outdated brokerage model into the future by introducing a modern and honest approach to the sales process.

SIMPLE's forward-thinking model is financially smart, fully transparent and service-driven. This means goodbye to inflated commission fees, six-month exclusive agreements, and agent-centric sales models. And, hello to SIMPLE's hybrid fee structure, three-month exclusive agreements and a brokerage designed to keep more money in sellers' pockets. For more information, visit www.thesimplerealestate.com.

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