

What A Realtor Does For You:
A Series of Articles on the Real Estate Transaction.

#2 In A Series: What is the Most Important Thing a Realtor Can Do for You?

As a seller, what is the most important thing a realtor can do for you?

Is it holding open houses? Is it the size and placement of the sign? Is the promise to negotiate on the commission?

It turns out it is none of these. The most important thing a realtor can do for a seller is to help the seller arrive at exactly the right price for their property.

It is said there are three prices for a property:

The First Price: The Lottery Price.

If a buyer stumbles up to the agent who has listed a particular parcel of real estate and offered the agent \$25,000.00 over the listed price with no conditions and immediate possession, it could be said the Seller had done the equivalent of winning the lottery. The odds of this happening to the average home seller are about equal to those of that same owner winning a lottery.

The Second Price: I Gotta

"Look. After all the improvements I've put in, and we've lived here for four years and those commissions are so high and we want to buy this other place so we need this much for the down payment and" well, you get it.

This price is about ten - fifteen thousand dollars higher than the other homes in the neighbourhood are selling for, however, the seller is sure, is convinced, their gem will get the asking price. This is the price at which many homes initially come on the market. It is not a bad thing, and perhaps there are reasons that this particular property merits a premium price. Or perhaps not.

The Third Price: The Market or Selling Price

Even though people talk about "The Market" all the time, they rarely stop to think about what "The Market" actually is. What is "The Market"? What is the market price?

Very simply, The Market is the entire inventory, whatever is for sale and the sellers and the buyers. The market price is the highest amount a buyer is willing to pay for whatever is offered for sale. The Market is defined by the price the Buyer is willing to pay. This is true of what ever commodity is being offered for sale, whether it is cars, stocks and bonds, or real estate. In the case of real estate, this is the actual selling price.

Next: How Pricing Helps Sell Your House.