Pricing Strategies

to sell your home for the most money in the least amount of time



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Boosting Home Sales: How Price Bracketing Increases Market Visibility

In the intricate world of real estate, pricing a property is both an art and a science.

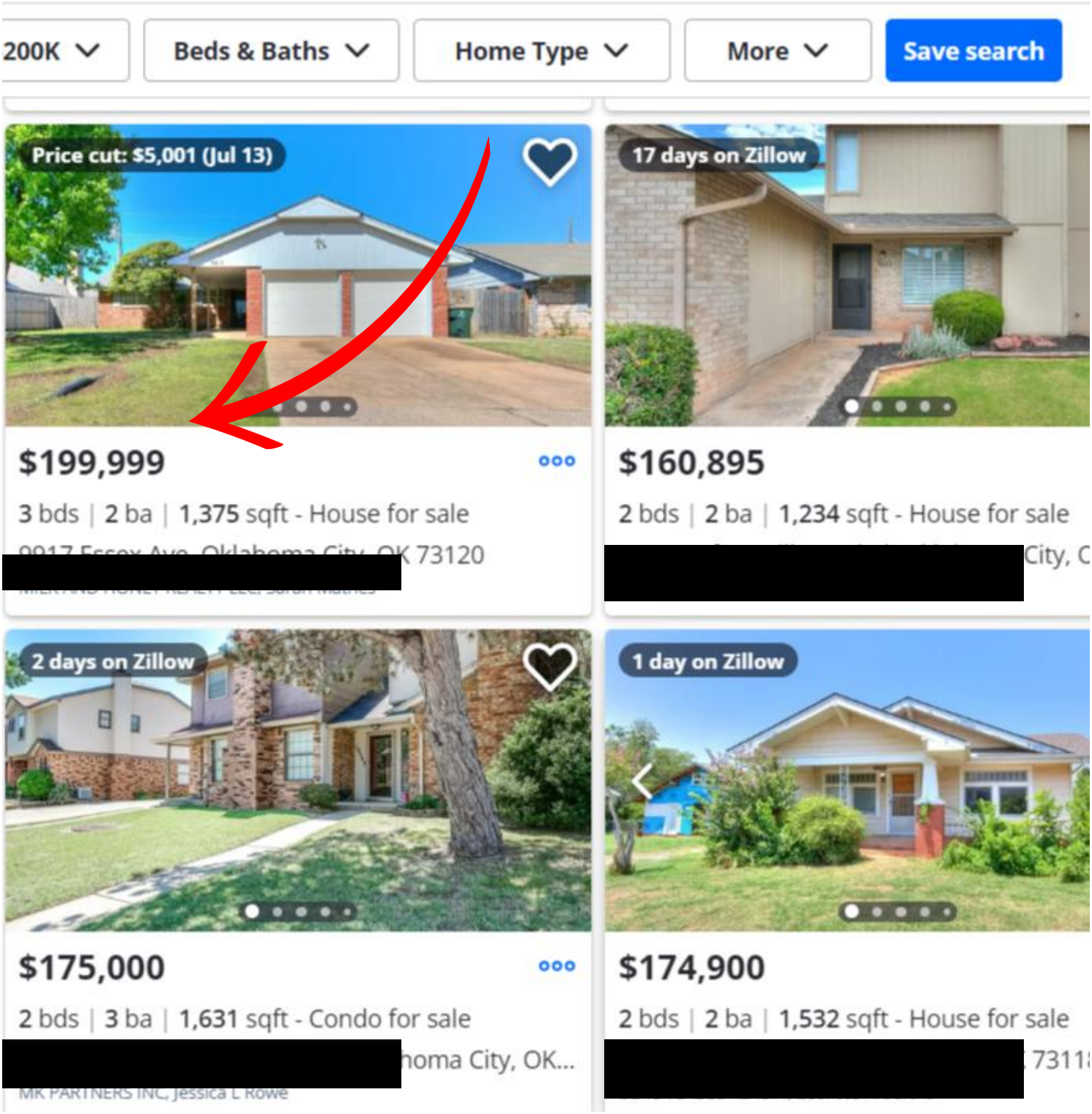
The strategy behind how a home is priced can significantly impact its market exposure, time on the market, and, ultimately, the seller's bottom line. **Understanding price bracketing and implementing effective pricing strategies are essential skills for any savvy real estate professional**. As an experienced agent, I have seen firsthand the profound effects these strategies can have on a property's market performance.

Understanding Buyer Behavior and Search Patterns

Buyers typically search for homes online using whole-number price brackets. Websites like Zillow, MLS, and others utilize drop-down menus with price ranges often in $25,000 to $50,000 increments.

Common search brackets might be $200,000 - $250,000 or $250,000 - $300,000. Rarely does a buyer or agent input search criteria that include prices like $199,900 or $224,900. **Therefore, homes priced just below these brackets may miss out on appearing in broader search results, reducing their visibility to potential buyers.**

Examples of pricing on Zillow



The Power of Double Exposure

Pricing a home at the top or bottom of these search brackets can double its exposure. For instance, a home priced at $200,000 will appear in the $150,000 - $200,000 and the $200,000 - $250,000 search ranges. **This strategic placement means that the property will be visible to buyers searching within two different brackets, doubling the number of potential buyers who see the listing.**

The Pitfalls of Near-Threshold Pricing

A common mistake is pricing a home just below a bracket threshold, such as $199,000 instead of $200,000. **While this approach might seem appealing due to its psychological pricing effect (similar to retail marketing's $19.99 strategy), it is counterproductive in the real estate market.** A home priced at $199,000 only appears in searches up to $200,000, missing out on the entire next bracket of $200,000 - $250,000. This significantly reduces the home's visibility and potential buyer pool.

Strategic Pricing for Optimal Results

To maximize a property's market exposure and attract a larger pool of potential buyers, it is crucial to price within the correct brackets. For example, pricing a home at $250,000 places it within the $200,000 - $250,000 and $250,000 - $300,000 search ranges. **This dual exposure can lead to more views, more showings, and, ultimately, more offers. Additionally, considering a market's list-to-sale price ratio is important.** A slight increase to the next bracket can be justified if it aligns with local market conditions and buyer expectations.

What is “Price Bracketing”

A pricing strategy that:

- Positions the sellers home as the obvious choice
- A proven plan that reaches more potential buyers



How It Works

Price Bracketing Methodology

Step 1:

Buyers start their search online. Home website have search criteria's in ***whole numbers and in increments.*** Buyers approval letters are always in whole numbers.

Step 2:

Price bracketing methodology
CMA = $360K - $370K
Should Not List = $360k - $370k
Only shows in = $350k - $375k / $350 - $400K
vs. 2x Exposure List at = $350k or $375K
Bracket = $300k - $350k & $350k - $400k

Another Example

Price Bracketing Methodology

continued

CMA = $440 - $450K DONT' LIST @ 4449k

List @ $450k

- $400k -$500k
- $400 - $450k
- $450k -$500k



The Role of Professional Presentation

Beyond strategic pricing, the presentation of the property is equally important. **Professional photos, staging, and direct marketing efforts such as reverse prospecting can significantly enhance a property's appeal. High-quality images and well-staged homes create a strong first impression, encouraging buyers to schedule showings.** Direct marketing to other agents ensures that the property is top of mind for those representing potential buyers.

Educating Sellers on Pricing Strategy

As real estate professionals, we are responsible for educating sellers on effective pricing strategies. This includes explaining the importance of price bracketing and the potential drawbacks of pricing just below major thresholds. **Sellers need to understand that correct pricing is not just about attracting attention but about positioning their property in the market to achieve the best possible outcome in terms of both price and time on the market.**

Conclusion

In conclusion, mastering price bracketing and strategic pricing is essential for any real estate professional aiming to maximize their seller's outcomes. By understanding buyer search behaviors and the importance of whole-number brackets, we can position properties for optimal exposure. **As experienced agents, it is our duty to leverage these strategies to benefit our clients, ensuring their properties achieve the best possible market performance.**

Showing Time

ShowingTime's Target Market Analysis Report Takes the Guesswork on Where the Buyers Are!

Let me show you how this works!



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