A SELLER’S GUIDE WITH SPENCER

Pricing Your Home Right

Why "let's start high and see what happens" is the most expensive pricing strategy in real estate — and what to do instead.

With Spencer | Elevate Realty, LLC
St. Louis Metro - West County - St. Charles County

INTRODUCTION

Why This Decision Matters More Than Any Other

Of every decision you'll make when selling your home, the list price is the one with the most leverage — and the least room for a do-over. Your marketing photos, your staging, your negotiating agent: all of it matters, but none of it can undo the damage of a wrong price out of the gate.

Most sellers assume the risk only runs one direction — that pricing too low leaves money on the table. In reality, pricing too high is usually the far more expensive mistake, just a slower and less obvious one. It doesn't show up as a bad number at closing. It shows up as weeks of silence, price drops that buyers notice and use against you, and a final sale price that ends up lower than if you'd priced correctly from day one.

This guide walks through why overpricing backfires, how buyers and their agents actually evaluate a new listing today, and what goes into a price that's positioned to sell for the most money in the least amount of time.

Bottom line: The right price isn't the highest number you can list at. It's the number that gets the most qualified buyers through the door while your listing is still new.

SECTION ONE

Why “Testing the Market High” Backfires

It's a tempting theory: list a little high, and if it doesn't sell, you can always come down later. The problem is that a home's very first days on the market are its most valuable — and once they're spent, you don't get them back.

Here's what actually happens:
The most motivated buyers see it first. Buyers who've been searching for weeks or months, and agents with clients actively looking, are watching new listings closely. If your home is priced above what it's worth, this highly motivated audience passes it by — and they rarely come back to give it a second look later.
Showings slow down immediately. An overpriced home simply doesn't get the same volume of showing requests as a correctly priced one in the same area.

A price drop sends a signal. When you do reduce the price, buyers and their agents can often see your full listing history. A reduction reads less like "priced to sell" and more like "starting to get anxious" — which invites lowball offers instead of strong ones.
You end up chasing the market instead of leading it. Once a listing goes stale, buyers begin to wonder what's wrong with it, even when the answer is simply "the price".

The goal isn't to see how high the market will go. It's to price accurately enough that the market comes to you — sometimes with multiple offers pushing the price past your list number.

SECTION TWO

How Buyers (and Their Agents) Actually Evaluate a New Listing

Today's buyers do their homework before they ever request a showing. Understanding how they're sizing up your home helps explain why pricing accuracy matters so much.

What buyers are comparing your home against:

- Recently sold homes in your subdivision or comparable neighborhoods, at a similar size and style
- Currently active competition — the other homes they're also considering this month
- Price per square foot relative to similar homes, even if it's an imperfect measure on its own
- Days on market — a home sitting noticeably longer than similar listings raises a question in a buyer's mind before they've even walked in

What their agents are doing behind the scenes:

- A sharp buyer's agent runs the same comparable sales analysis your listing agent should be running. If your price doesn't hold up against that analysis, they'll often steer their client toward a better-positioned listing down the street — or use the gap to justify a lower offer.

The takeaway: Buyers aren't guessing at value anymore. They largely know what similar homes are selling for before they ever contact your agent — which means your price needs to hold up to that scrutiny from day one.

SECTION THREE

The Relationship Between Time on Market and Final Price

There's a pattern that holds true across almost every real estate market: the longer a home sits, the more its eventual sale price tends to slip below the original list price.

Why this happens:

- Fresh listings generate the most attention, urgency, and competition among buyers
- As days accumulate, buyers start to wonder what issue might be keeping the home from selling
- Offers that do come in on a stale listing tend to come in lower, since buyers sense less competition for the home
- Sellers under time pressure from a long listing period often accept less favorable terms just to move forward

A home priced accurately from the start tends to attract its strongest offers in the first few weeks — while a home that starts too high often ends up selling for less than it would have if it had been priced correctly from day one.

What this means for your strategy:
Speed and price aren't competing goals — they work together. A well-priced home usually sells faster and for a stronger price than an overpriced one that lingers and gets chipped away at through negotiations.

SECTION FOUR

The Hidden Risk: Appraisal Gaps

Even if you find a buyer willing to pay an inflated price, there's another checkpoint waiting: the appraisal. Most financed purchases require the lender to order an independent appraisal, and the appraiser is working from the same comparable sales data everyone else is — not your hoped-for number.

When list price outpaces the comps, a few things can happen:

- The appraisal comes in below the contract price, creating a gap the buyer and seller now have to resolve
- The buyer may need to bring extra cash to closing to cover the difference, which isn't always possible
- The deal can be renegotiated — often back down toward the appraised value, undoing the "win" of the higher accepted offer

In some cases, the deal falls through entirely, sending you back to the market — now with a harder story to tell about why it didn't close.

Why this matters: An inflated accepted offer isn't a real win if it can't survive the appraisal. A price grounded in solid comparable sales data protects the deal all the way through closing, not just at the offer stage.

SECTION FIVE

How a Proper Price Is Actually Determined

A comparative market analysis (CMA) is more than pulling up three "similar" listings and averaging them.

Done properly, it accounts for:

- True comparables — similar style, similar square footage, and ideally the same subdivision or a very close equivalent, not just the same ZIP code
- Recently sold data, not just what's currently listed, since active listings represent asking prices, not proven value
- Condition and update adjustments — a fully renovated kitchen versus an original one changes the number, and so does deferred maintenance
- Current market pace — how quickly homes in your specific area and price point are moving right now, not six months ago
- Absorption and demand trends — how many active listings buyers are choosing from in your price range and what that competition looks like

> This is where local, up-to-date market knowledge does the heavy lifting. A generic online estimate can't account for your specific subdivision, your finished lower level, or the fact that three similar homes just went under contract in a week.

LET’S TALK

Want to Know What Your Home Is Really Worth?

I pull current MLS data for West County and St. Charles County every week, which means the number I bring you reflects what's actually happening in your specific neighborhood right now — not a generic online estimate.

Call or text me at 314-947-3791 — I'd love to talk through your options.

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