The Real Estate "Pond" Analogy

When a new listing comes to market there is always an initial spike in interest and showings in the first week or two. This is the "pent up demand" from buyers who have already looked at and rejected your competition. If your listing price is close to its estimated market value, buyers recognize this and interested ones will respond with better offers to a new listing. A properly priced home forces a legitimate buyer to ask the question, "What will it take for me to get this house?"

Conversely, an over-priced listing will sit on the market for weeks and even months as buyers wait for your price to come down. All the while, as the days-on-market counter ticks on, buyers start asking the question, "What's wrong with that house?"

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