



JOAN O'MEARA
The Key to Your Home

REALTYCHECK



Cell: (914) 329-5329 Office: (914) 967-7680
jomeara@houlihanlawrence.com joanomeara.com

The Risks of Overpricing

Putting your best foot forward while avoiding the temptation to overprice your beloved home

Written by C. Anderson; Contributed by Joan O'Meara

Joan O'Meara, associate broker with Houlihan Lawrence in Rye & Harrison strongly cautions about the risks that lurk in the often emotionally charged area of pricing. "Overpricing can be devastating to a Seller. They are lured in by the vision of an unbelievable price and soon hopes are dashed as their beloved home sits on the market. We've all heard it before: If something sounds too good to be true, it probably is! My best interest is that of my Client—and I think honesty is the best policy."

Selling a home can be quite an emotional journey. And therefore it is essential to trust a professional partner at every important juncture—especially determining the List Price. By heeding the recommendations and experienced wisdom of a proven Real Estate professional, you will find yourself making decisions based on facts, history, current market analysis—as opposed to hopes, dreams and visions of extra dollar signs. Joan O'Meara recommends three key pricing questions for a prospective listing agent: suggested List Price, suggested Sale Price and how long it will take to get into contract based on pricing.

Recent Rye Seller Katie K. shared her success story about not overpricing. As soon as she found out she had to sell her adored Rye home due to a job transfer, Katie called in Joan O'Meara—who had helped her buy the same home 3 years earlier. Katie felt she received "fantastic price-point advice" for this recent sale.

Having just had an appraisal along with a refinancing, this savvy Rye Seller was armed with her ideal listing price. Yet she wanted to hear Joan's recommended number and after several steps including staging and home prep guidance, the advice was dealt. Joan thought their home would be the "healthiest" at a particular price that was slightly lower than what Katie had envisioned. Joan coached her through the strategy, "that this lower number, at the same price-point as several other local properties for sale, would create buzz and excitement on our home. So trusting Joan 100%, we went with her price recommendation. Within the first weekend, we had 3 bids: one at asking and two over."

Using Joan's expert negotiating skills, she went for "best and final offer" and ended up with a contract price at 7% above the List Price...and also substantially above her personal ideal number.

As Katie drives by some of these other homes—still active on the market months later—she can't help but wonder if smarter upfront pricing and preparation would have led to a successful conclusion for other sellers as well. She enthuses about her "full service" experience with Joan O'Meara—and not only heartily and openly recommends her to any one who is considering selling or buying—but sings the praises of truly listening and heeding sage agent advice. Bringing in a stager was worth every penny for this Seller...and even the added perks like Joan's paid pre-listing home inspection created a smoother transaction and a speedier process.

Another Rye Seller, Rob, spoke about the dangers of agents offering higher prices to woo in the homeowner to list with them. Rob recalls one agent's Listing Presentation, which included a price that was "ridiculously higher" than two other agents' recommendations. Had he not had the many strong referrals to use the trusted agent he selected, his quick house sale—above asking—may not have been such a success either. He cautions Sellers to not select an agent based on recommended List Price.

Pricing Strategy: Clear or cloudy?

The best way to determine your home's fair market value is through Comparative Market Analysis (CMA). This provides a clear basis for pricing as it reports what recent neighborhood homes sold for—and takes emotions out of the equation. Joan O'Meara underscores, "comparable active listings are not really relevant as we do not know where these will sell. The actual sale price is the critical data point. Active listings come into play when you are considering what properties you are competing against at a particular time." Another pricing strategy is understanding that the market can change quickly—so it is important to revisit pricing as markets can change weekly.

Price: Reduce or Not Reduce? Contrary to a common fear that price reduction puts an instant red flag on your property, price reduction can actually lead to a successful transaction, such as when multiple Buyers are in the wings. And sometimes reductions signal the Seller wants to sell quickly, which can be an impetus to bidding of Buyers. By not reducing, the number of DOM (Days on Market) continues to increase.

As always, your best bet is to be an educated consumer—in partner with your real estate agent—by comprehending what has transpired in your city, town or neighborhood: What's the average time for homes to sell? How have other price reductions played out? If you've led with an overzealous List Price, keep in mind that price reduction is not a fatal next step. Better to not lead with that overinflated price in the first place, but there is still hope if you have gone that route.

Family Home: Attach or Detach? Selling your much-loved home can be emotionally challenging. Joan O'Meara suggests stepping back to take the personal nature out of the equation—which is often where a real estate agent can help. Look at it as a business transaction by pricing it based on market value (not emotional attachment); following recommendations for prepping the home including staging, being fair and reasonable regarding price or repair negotiations; and to be flexible to make modifications if the market is showing the need. For example, if you have little activity or interest after a substantial amount of time on the market, there could be a clear reason (overpriced?) that no one is biting and/or looking. Emotional attachment can also lead to refusing to respond to the market or negotiation. It is key for Sellers to remember that an attribute they've come to love may not be a perceived benefit to a Buyer who has not experienced the home yet.

If a Seller can identify the needs of potential Buyers—the target audience—the homeowner will be poised for greater chance at success. What do these Buyers want? What lifestyle are they 'purchasing'?

continued on next page...



JOAN O'MEARA'S LISTINGS

DEAR NEIGHBORS

We just ended an activity filled Second Quarter in real estate. For all current Listing & Sold stats, visit www.joanomeara.com and click on the 2nd Quarter 2013 Listing Summary link. As always, feel free to contact me with any real estate questions or for a complimentary market analysis of your home.

Enjoy your summer and all it has to offer,

The Risks of Overpricing *cont.*

By utilizing the expertise of your agent, you can answer all these questions before you prep...and before you price and market accordingly. The promotional key words you choose to use will help attract ideal Buyers. Keep in mind that Buyers typically do know the market value, which means there is more risk in overpricing than under pricing, as Buyers will bid what it's worth. And when comparing to neighbors, understanding that Sale Price is the point for comparison—not List Price—can be critical. Buyers are savvy: there is really no relevance to a Seller needing "to get X out of the sale."

Thankfully, the market forecast is clear as the clouds of the last five years continue to lift. Pricing properties with a clear business-minded process will enable Sellers to achieve success. ■



\$415,000

66 Milton Road # E51 / Rye 10580
2BR/1.0B / 998sqft / COOP/NEW PRICE



\$699,000

37 Sanford Street / Rye 10580
3BR/1.1B / 1742sqft / NEW PRICE



\$999,995

1 Dale Street / Rye 10580
4BR/3.0B / 2277sqft / JUST LISTED



\$1,795,000

17 Overdale Road / Rye 10580
4BR/3.1B / 3170sqft / JUST LISTED



\$1,950,000

16 Helen Avenue / Rye 10580
5BR/3.1B / 3528sqft / JUST LISTED

UNDER CONTRACT/PENDING

216 Purchase St #C, Rye 10580	\$ 295,000
9 Mayfield St, Rye 10580	\$ 899,000
15 Glen Park Rd, Purchase 10577	\$ 999,000
3 Pebble Beach Dr, Purchase 10577	\$ 1,095,000
24 Johnson Pl, Rye 10580	\$ 1,995,000
19 Augusta Ct, Purchase 10577	\$ 1,995,000
9 Reymont Ave, Rye 10580	\$ 2,195,000
33 Helen Ave, Rye 10580	\$ 2,195,000
84 Grace Church St, Rye 10580	\$ 2,350,000
140 Florence Ave, Rye 10580	\$ 2,395,000
4 Stonycrest Rd, Rye 10580	\$ 3,100,000

As of 7/23/13. Note: All prices indicated are LIST PRICES.



\$2,399,000

34 Helen Avenue / Rye 10580
5BR/4.1B / 3400sqft / NEW CONSTRUCTION



\$3,995,000

4 Fairway Drive / Purchase 10577
8BR/7.4B / 8647sqft / JUST LISTED



\$6,495,000

1 Pine Island Road / Rye 10580
8BR/8.2B / 7985sqft / PRE-CONSTRUCTION



\$13,600,000

131 Kirby Lane / Rye 10580
6BR/7.3B / 11,531sqft / JUST LISTED

SOLD

31 Soundview Ave, Rye 10580	\$ 5,900
60 Beverly Dr, Rye 10580	\$ 6,200
181 Purchase St #2, Rye 10580	\$ 210,000
110 Theodore Fremd Ave B8, Rye 10580	\$ 475,000
66 Milton Road A31, Rye 10580	\$ 699,000
44 Oakwood Ave, Rye 10580	\$ 899,000
23 Willetts Rd, Harrison 10528	\$ 925,000
481 Harrison Ave, Harrison 10528	\$ 995,000
122 Wappanocca Ave, Rye 10580	\$ 1,095,000
9 Osborn Rd, Rye 10580	\$ 1,770,000
20 Holly Ln, Rye 10580	\$ 2,350,000
5 Fieldstone Rd, Rye 10580	\$ 2,995,000
2 Anchor Dr, Rye 10580	\$ 2,995,000
2 Greenleaf St, Rye 10580	\$ 3,325,000

FUNFACTS

OLDEST, MOST EXPENSIVE ACTIVE HOME WITH MOST PROPERTY

1747 / \$11,900,000 List Price / 7123 sqft

5 BR / 4.1 Baths

LARGEST, MOST EXPENSIVE SOLD HOME

\$5,995,000 List Price / 14,132 sqft

6 BR / 7.2 Baths

ACTIVE HOME BOASTING MOST BEDROOMS & BATHS

8 BR / 7.4 Baths

\$3,995,000 List Price / 8647 sqft

HOME SOLD WITH MOST PROPERTY **3.5 Acres**

\$3,675,000 List Price / 7 BR / 5.1 Baths / 5775 sqft

OLDEST HOME SOLD **1922**

\$1,695,000 List Price / 5 BR / 4.1 Baths / 5200 sqft

Source: HGMLS, Single Family Homes: 2Q13 (4/1/13-6/30/13)

MARKETINGHIGHLIGHT

Houlihan Lawrence: A Global and Relocation Powerhouse



Global connections play an important role in the marketing and selling of homes. HL partners with 5 Global Networks, giving our Sellers 5 times the exposure—while many brokerages offer only one affiliation. With over 120,000 sales associates in over 40 countries, HL Listings benefit greatly from this global presence.

- HL listings \$1M and higher are on christiesrealestate.com
- All HL listings are on LeadingRE's global real estate search site
- HL listings \$1M and higher are on luxuryportfolio.com
- HL listings \$250k and higher are on Europe's mayfairinternationalrealt.com
- Regents/LuxuryRealEstate.com/"Who's Who" international network in 80+ countries

MORTGAGECORNER / IN THE KNOW

After the June speech by Federal Reserve Chairman Bernanke, mortgage rates have been extremely volatile. Following his announcement that the government was pulling out of purchasing mortgage-backed securities—the rates have risen sharply to a full point from where we were in June.

What this means:

- People are still buying, but the buyer power has been impacted: every \$100,000 in purchase loan equates to \$300 less in purchase power.
- It does look as if rates are coming down a little, based on bond rates. A current 30-year fixed jumbo mortgage is 4.25%* – down from 4.5% in June. A 7/1 ARM is currently 3.25–3.375%* down from 3.625–3.75%.
- If the pool of buyers has come down, then this could help inventory issues—especially in the low end in our local area.

So what is Pat Ciulla's personal recommendation to anyone considering a purchase? Buy now before the rates move higher. Although they may come down, it is not certain when and by how much. Her belief is that since the economy hinges on housing, the rates will have to come down to re-energize it.

Keep in mind that the rates are still historically low, but this increase has been a hard pill to swallow. Buyers are still buying, however!

*Rates as of 7/16/13

FOR MORE INFORMATION CONTACT:

Pat Ciulla / Wells Fargo Home Mortgage
Private Mortgage Banker / NMLS id 653866
Office: 914 285-1452 Cell: 914 774-2010
Patricia.Ciulla@wellsfargo.com
www.wfhm.com/patricia-ciulla1

HARRISON/PURCHASESAMPLINGS Houlihan Lawrence 2nd Quarter 2013 Real Estate Transactions

Single Family Listings

Property Address	Listing Price	BR/B	Sq. Ft.
36 Hyatt Ave	\$ 540,000	3/2.0	1813
218 West St	\$ 669,000	4/2.1	2045
36 Harwich Ln	\$ 779,000	4/3.0	2045
599 Purchase St	\$ 825,000	3/2.1	2673
481 Harrison Ave	\$ 995,000	4/3.1	2959
24 Winfield Ave	\$ 1,075,000	4/2.1	2731
609 Purchase St	\$ 1,080,000	4/3.1	3044
5 Union Ave	\$ 1,250,000	4/4.1	2828
9 Taylor Ln	\$ 1,375,000	5/6.0	4000
4 Oakmont Dr	\$ 1,495,000	5/3.1	4104
33 Crawford Rd	\$ 1,495,000	4/3.1	3410
29 Crawford Rd	\$ 1,525,000	5/3.1	3175
9 Ophir Dr	\$ 1,595,000	4/4.1	3783
15 Mount Holly Dr	\$ 1,745,000	6/5.1	6439
15 Greenway Rd	\$ 1,749,000	5/3.1	3766
7 Old Woods Dr	\$ 1,950,000	5/5.1	5417
1717 Purchase St	\$ 2,106,000	5/4.1	2544
400 Polly Park Rd	\$ 2,195,000	4/3.5	4311
81 Polly Park Rd	\$ 2,195,000	7/7.2	7500

Single Family in Contract/Pending Contract

Property Address	Listing Price	BR/B	Sq. Ft.
23 Willetts Rd	\$ 925,000	5/3.1	2710
481 Harrison Ave	\$ 995,000	4/3.1	2959
14 Woodlands Rd	\$ 1,295,000	5/4.2	4516
4 Pondview West	\$ 1,475,000	3/4.1	3985
502 Purchase St	\$ 1,625,000	4/3.2	3638
580 West St	\$ 1,695,000	5/4.1	5200
3 Hampton Rd	\$ 2,150,000	5/5.1	5213
11 Madden Pl	\$ 2,495,000	5/5.1	5612

Single Family Sales

Property Address	Listing Price	BR/B	Sq. Ft.
1 Pinehurst Dr	\$ 829,000	3/2.1	2238
23 Cypress Point Dr	\$ 869,000	4/2.2	2946
3 Pebble Beach Dr	\$ 1,095,000	4/2.1	3104
14 Highland Park Pl	\$ 1,425,000	4/3.1	3452
550 West St	\$ 1,499,000	4/5.0	5043
24 Rock Ln	\$ 2,245,000	3/3.3	4539
53 Wendover Rd	\$ 2,695,000	5/6.1	4800
9 Cedar Ln	\$ 3,499,999	5/5.1	6700
32 Seville Ave	\$ 3,650,000	6/6.1	7000

Source: HGMLS: 2Q (4/1/13-6/30/13). Includes all houses in 10528 Harrison School District, 10580 Harrison School District & 10577 Purchase (Harrison School District) Note: All prices indicated are LIST PRICES. If your home is currently listed for sale, this is not a solicitation. Not responsible for typos; information provided is deemed accurate.

Harrison/Purchase 2Q 2013 Single Family Housing Sales Summary



	10528		10577		10580	
	2Q13	2Q12	2Q13	2Q12	2Q13	2Q12
# of Homes Sold	15	13	9	5	8	3
Avg Days on Market	154	173	226	431	303	121
Avg List Price	\$1,535,958	\$1,129,385	\$1,603,778	\$2,052,800	\$2,548,375	\$2,479,667
Avg Sold Price	\$1,450,533	\$1,066,307	\$1,458,233	\$1,845,000	\$2,360,250	\$2,113,333
Avg Sq Footage	4249	3352	4683	5929	5642	4574
Avg Price/Sq Ft	\$331	\$311	\$311	\$303	\$412	\$423

Includes all houses in 10528 Harrison School District, 10580 Harrison School District & 10577 Purchase (Harrison School District). Source: HGMLS; Single Family Homes; 4/1/13-6/30/13 and 4/1/12-6/30/12.

Avoiding the temptation to overprice your beloved home

- Latest Harrison & Purchase Sales & Listings Stats
- The Risks of Overpricing

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16 Elm Place • Rye, New York 10580



Thank you for your referrals to family, friends & neighbors. I sincerely value your trust and confidence in me.

RANKED #1 AGENT
by MLS in Rye for 2012

The Key to Your Home
JOAN O'NEARA

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PERMIT #2101