

Bespoke

ESTATE AGENTS

Unlock your home's value:

The ultimate guide to accurate and ethical pricing



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E S T A T E A G E N T S

Page 2	Contents
Page 3	Welcome page
Page 4	Why accurate pricing is so important
Page 5	Influencing factors on your home's valuation
Page 6	Common mistakes when valuing your property
Page 7	A cautionary tale – The perils of overpricing
Page 8	The pitfalls of underpricing your home
Page 9	The role of good estate agents in pricing accurately and ethically
Page 10	Six steps to an accurate valuation
Page 11	Your valuation myth buster
Page 12	Back cover

* This guide is written in a font called Lexend, which is dyslexia-friendly. Every effort has been made to make this guide accessible to as many people as possible.

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E S T A T E A G E N T S

Hello,

Welcome to our definitive guide on accurately valuing your property.

My name is Mark Heneghan and I'm the Founder & Director at Bespoke Estate Agents.

Since 1992, I've been serving home sellers and buyers in Reading and surrounding areas, launched my own agency in 2023, as I felt there had to be a better way. I have gained extensive knowledge and insights about property pricing.

Our experience has taught us that accurately pricing a property is vital when it comes to successfully selling.

It's about more than just making a sale. For many of us, our home is our most significant tax-free asset, and for some, getting the best possible price can potentially have life-changing benefits.

We understand this and are committed to ensuring the price is not only right for you, but also attractive to potential buyers.

Over the following pages, you'll discover:

- The factors that contribute to an accurate property valuation
- Common myths and misconceptions about pricing property
- The potential pitfalls of overpricing and underpricing
- A wealth of additional insights and tips we've gathered over the years

We've written this guide with a view to helping people who are considering selling. But the principles apply even if you're just curious about getting a valuation.

Either way, give us a call if you have any property-related questions you want expert answers to.

We're here to help.



Mark Heneghan
Founder & Director
Bespoke Estate Agents



*Disclaimer: The information in this guide does not constitute legal or financial advice.

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Why accurate pricing is so important

Introducing the Goldilocks Principle

When valuing a home in the North East with a view to selling, it's easy to be tempted to set your price too high, hoping to cash in on a big profit.

Alternatively, some may go too low, aiming for a quick sale.

But as we've learned over the years, the 'Goldilocks Principle' of property pricing is fundamental to your success.

The Goldilocks Principle?

Allow us to explain.

Just like the porridge in the popular children's story, Goldilocks, your property's price shouldn't be too 'hot' (high) or too 'cold' (low). It needs to be 'just right'.

Set the price too high, and potential buyers might be scared away, causing your property to linger on the market.

If it's priced too low, it might sell quickly, but you could miss out on significant, life-changing profit.

Neither scenario is ideal (nor is getting caught stealing food and lodgings from hungry bears).

Finding the 'just right' price - that sweet spot where the property is attractive to buyers yet still ensures you receive the value you deserve - is a fine art/science we've been perfecting for years.

Initial impact

The initial weeks after valuing and listing your property are critical, creating a window of high visibility and potential buyer interest. Priced accurately, your property can attract keen buyers willing to pay good value, capitalising on this peak period of interest.

An overpriced property, on the other hand, may push potential buyers towards more reasonably priced alternatives.

So, accurate property pricing is not just important - it's paramount.

Remember, in property pricing, it's about finding the 'just right' balance, something we are here to help you with.



Property price pointer:

Go up for sale for an excessively high price, and you're simply 'on' the market, not 'in' the market.

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Influencing factors on your home's valuation

Many factors come into play when determining the 'just right' price.

Let's focus on some key ones below.

Location, location, location:

The old adage is true - where your home is located has a major influence on its value. From proximity to good schools, amenities and transport links to the overall appeal of the area, location can, and does, significantly impact the price.

Property size & layout:

The overall square footage and layout of your home matter. Additional features like a garden or a garage can add to your home's appeal.

Condition & age:

A well-maintained, modern home is more attractive to buyers than a similar but in worse condition property (unless you're seeking a doer-upper). The age of the property also influences its value - older homes can charm buyers with their character, while newer homes often require less maintenance.

North East market trends:

The health of the local property market in the North East can't be overlooked. A seller's market, where demand outpaces supply, usually increases home prices, while a buyer's market might mean more competitive pricing is required. This changes based on the financial climate, so give us a call to find out what kind of market we're in right now.

Recent sales:

The selling prices of similar properties in your neighbourhood can give a clear indication of what buyers are willing to pay.

A good estate agent will take all the above and more into account when arriving at a valuation for your property.

Property price pointer:

Beware the online valuation 'guesstimate' such as those that portals like Zoopla offer. These can be tens of thousands of pounds apart in their valuation of the same property.



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Common mistakes when valuing your property

Now that we've explored the factors influencing your home's value, let's shine a light on common mistakes homeowners, and even some estate agents, make in the valuation process.

Overconfidence in renovations:

While home improvements can add value, not all renovations translate into a higher selling price. Just because you love your bespoke wine cellar or the avant-garde mural of Elvis in the living room doesn't mean a potential buyer will value it as much.

Ignoring the market:

AKA Market Myopia which translates to not 'seeing' current North East market trends. This can lead to setting unrealistic expectations. Even if your neighbour sold their home for a high price last year, changes in the market could mean different circumstances for your property.

Emotional pricing:

We understand your home holds a lot of sentimental value, but pricing should be a rational decision based on data and demand, not memories and emotions. Overpricing due to emotional attachment can and will deter potential buyers.

The online valuation trap:

Online valuations can be wildly inaccurate and are often based on outdated or incomplete data. Don't fall into the trap of taking these figures as wholly accurate. Ask the local experts – us.

Unscrupulous agents overpricing:

Some agents might overvalue your property just to win your business. They promise a high selling price to entice you to list with them, but it often results in the property sitting on the market for a long time due to being overpriced. Check out the perils of overpricing on the next page to see what that looks like in real life.

We believe in getting the price 'just right' – creating a win-win situation for you and the buyer.



Property price pointer:

Beware of the likes of 'Dave' – the local pub's in-house property expert (whose only connection to the housing market is he has a roof over his head) telling you your home is worth £X amount.

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A cautionary tale – The perils of overpricing

Meet the Thomas family of Gateshead – mum, dad, two kids and a black cat, Lucky.

This family decided to sell their home due to Mr Thomas's new job.

They got three estate agent valuations.

The first two were alike, differing by only £2,000.

Enter the third agent, Damian, arriving under cover of darkness with a devilish smile, shiny shoes, no socks and a valuation £20,000 higher than the others.



Promising eager buyers, he sold the dream and got the Thomases to sign a contract (a scarily long one!).

But the dream soon turned into a nightmare.

The excessive price scared away potential buyers, leaving the property languishing in the wrong price band.

Damian vanished, providing no support or updates.

There was no interest in the property and the house sat on the market, turning stale.

Their inability to sell led to stress as their moving date loomed.

The Thomas family's tale is a stark warning about overpricing and unscrupulous agents promising unrealistic returns.

Fortunately, this story has a happy ending. With our accurate, evidence-based valuation and effective marketing plan, the Thomas family successfully relocated.

Beware of the Damians of the property world.

An overpriced property isn't just spooky; it can be horrifying for frustrated sellers and frightened-away buyers.

So, don't let overpricing turn your selling experience into a horror story!

Note: This tale is based on actual events, but names have been changed to protect the innocent (and the guilty).

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The pitfalls of underpricing your home

The other side of the coin is underpricing: selling your property for less than it's worth. While less common than overpricing, it's potentially more damaging.

Underpricing may lead to fast sales, which some agents exploit to earn swift commissions.

As a homeowner, it's tempting, especially when you need a quick sale.

But it often results in considerable financial loss.

You miss out on your property's full value.

It could even create suspicion, suggesting that there might be an underlying problem with the property.

Cash buyers?

Similarly, cash-buying companies may offer 'speedy' purchases.

Remember, they're purely profit-driven, offering significantly below market value to cash in from reselling at a higher price later.

Avoid underpricing and work with trustworthy agents like us to confidently navigate the ever-changing property market's complexities.

And if you're pressed for time, it's even more crucial to work with a reliable estate agent who prioritises your interests.

Choosing us means benefiting from comprehensive, evidence-based valuations that capture your home's true potential worth.

We'll guide you through the selling process, prioritising a fair, ethical and profitable sale over companies seeking to make a fast buck out of you.

Your property shouldn't be an opportunity for quick-profit seekers or be stranded due to overpricing.

Achieving the 'just right' price requires experience, expertise and honesty.

Property price pointer:

Accurate pricing is a blend of art and science. Previous selling data, market trends and an experienced agent's local market knowledge combine to provide you with a valuation of your property that is accurate and realistic.



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The role of good estate agents in pricing accurately and ethically

Here's how some agents may approach pricing your home.

They'll pluck a figure out of the air (i.e. without any comparable evidence), they'll offer a discounted fee, and then, after a few weeks of the property being on the market at the inflated price, they'll contact you to reduce it citing 'it's the market's fault'.

Here's how we do it.

Local market expertise

We are experienced experts in North East market trends and dynamics. This knowledge is crucial in generating an accurate valuation and getting any potential sale started on the right foot.

In-depth property valuation

Our valuation process begins with an in-depth, onsite valuation of your property. We consider its size, condition, location and unique features. But we don't stop there. Less tangible aspects, such as current market demand, local amenities and school catchment areas, are also factored into our assessment.

Honest and realistic valuation

We're not in the business of overpromising to secure your instruction or underestimating to achieve a quick sale. Our goal is to provide a realistic and honest valuation that aligns with the current market and is achievable.

Effective marketing

Beyond the valuation, we offer professional advice on presenting your home to maximise its appeal to potential buyers.

Partnership and guidance

Remember, a good estate agent is your partner in the valuation/selling process. We're here to guide and support you, putting your interests first. By choosing us, you're choosing transparency, expertise and a commitment to your property's true value.



Property price pointer:

Don't fall into the twin traps of overpricing and underpricing – your property's worth more than someone else's fast commission.

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Six steps to an accurate valuation

Here's a step-by-step guide to ensure the price is right:

1. Understand your local market

Why? Different areas have unique property dynamics. What's true for a city centre might not apply to a rural setting.

How? Stay updated on recent sales in your area. Websites like Rightmove or Zoopla can be good starting points. *Note point 3.

2. Assess home improvements objectively

Why? While some upgrades add significant value, others might not resonate with potential buyers.

How? Compare your home's features with recently sold, similar properties. If most have upgraded kitchens and yours doesn't, it could affect your valuation.

3. Avoid the online valuation trap

Why? These can be based on outdated or incomplete data.

How? Use online estimates as a loose guide, but trust the in-depth analysis of an experienced estate agent more.

4. Factor in current market trends

Why? Property markets can be cyclical. An informed view of the direction of the local market can help in setting a realistic price.

How? Review local property news, consult with agents and consider broader economic factors.

5. The rule of three

Why? Different agents bring varied experiences and biases. A range of opinions can give a more rounded view.

How? Invite three reputable local estate agents to value your property. Remember, the agent giving you the highest valuation is by no means the right choice for you.

6. Choose an agent with a proven track record

Why? A seasoned agent will not only provide a realistic valuation but also guide you through the entire selling process.

How? Research reviews, ask for references and select an agent familiar with your type of property and local area.



Property price pointer:

To summarise this page in one sentence, you need to take a balanced approach, do your homework and lean on the expertise of trusted local estate agents.

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Your valuation myth buster

1. The myth is stick it on high and get lower offers. The market simply ignores this, and one month later, any prospective buyers assume it isn't a good purchase or 'there's something wrong with it'. The majority of attention a portal listing will get typically happens within the first 48 hours of going live as many buyers are alerted by the portals/agent (the hot buyers who are motivated to move). The daily views then dwindle significantly. Put simply: Go on for too high a price, and you're just 'on' the market, not 'in' the market.
2. "I'm always getting estate agent leaflets through my door, telling me my house will sell really fast as there are loads of buyers for my road." This may be true, but often isn't, especially in slower markets. Remember the mantra, 'Evidence breeds confidence' - if these claims can be backed up by solid proof, they're worth considering, if not, bung the leaflet in the recycling.
3. "The online valuation told me my property is worth £500,000. What do you mean it's only worth £450,000?" Online valuations are, at best, guesstimates, and nothing beats an experienced agent popping round to give you an accurate, personalised valuation.
4. Beware of next-door syndrome. "Bob and Janet's house went on the market for £400,000, and ours is so much better, so we want £450,000." When you delve a little further, you'll see Bob and Janet have been on the market for 11 months, reduced five times and are now with their sixth agent."

We hope you've found this guide interesting. Thank you for your time, and if you have any questions whatsoever, please do not hesitate to contact us.



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