

Case Study: The Sanborn Team's Successful Pricing Strategy



506 N. La Jolla Ave, Los Angeles CA 90048

The single family home is centrally located near The Beverly Center and The Grove—a location that speaks for itself. A fixer with a future, the traditional style home includes 2 bedrooms, 1 bath, and a detached 2-car garage. Built in 1924, it has a remodeled kitchen and bath.

The home was originally listed for \$1,100,000—a probate sale with court confirmation. It was put on the market on a Friday in June. The Sanborn Team had the first showing of the property on Sunday. We had activity but did not receive calls of interest for the property at the listed price.

The seller asked us to pull it off the market due to a problem with the publication. We put it on hold for a couple of weeks until the conservator received the correct documentation from the court. The property was put back on the market at a reduced price of \$999,000.

The Sanborn Team held a broker's open and with the reduced price, we received a great deal of interest: calls and emails requesting information on the property. Offers began to arrive and the requests for details on the property continued. We had multiple offers, with the majority of them over asking. Multiple counter offers were sent out in order to



ensure the client received the best and final offer. The conservator accepted a bid for \$1,181,818—18% over the reduced list price of \$999,000.

After the bid was accepted, we had to wait for the court date to be set. In the meantime, we still received calls and emails from interested parties. One agent in particular called and asked when the court date was going to happen, saying he had an interested client wanting to overbid in court.

Once the court documents arrived, we received the court date and the first overbid amount. Court was set for July 27, 2015, and the first overbid amount was \$1,241,408.90. Agents called and requested overbid instructions for the property.

During the actual court date, there were a couple of people that showed up to overbid. The agent that had called and asked for the court date was at court with his interested client. The judge announced the first overbid and the overbids began. The original buyer did not get the property; the successful overbidder was the client of the determined agent.

The overbid amount was \$1,325,000—6% over the first overbid amount, 32% over the reduced price and 20% over the original list price.

The solution to obtaining the best result for our client was finding the right price for the property. Even though the final sale price was 20% over the original list price, it was only achieved by pricing the home correctly and getting multiple parties interested in the property. When a property is priced too high, interest winds down; when it's lower, the interest peaks because buyers believe they are getting a much better deal. This creates a chain reaction of buyers becoming more interested in purchasing the home and the price ticking upward as multiple offers are submitted.

Through our responsive, attentive representation and aggressive marketing of the property, we were able to achieve maximum profit for the conservator, our client.

Here at The Sanborn Team we know every transaction is different and the challenges that arise from each transaction have to be handled with precision and expertise. Feel free to contact us for any and all of your real estate needs. We know you have choices. Go with the team with proven success: ***no excuses, just great service.***