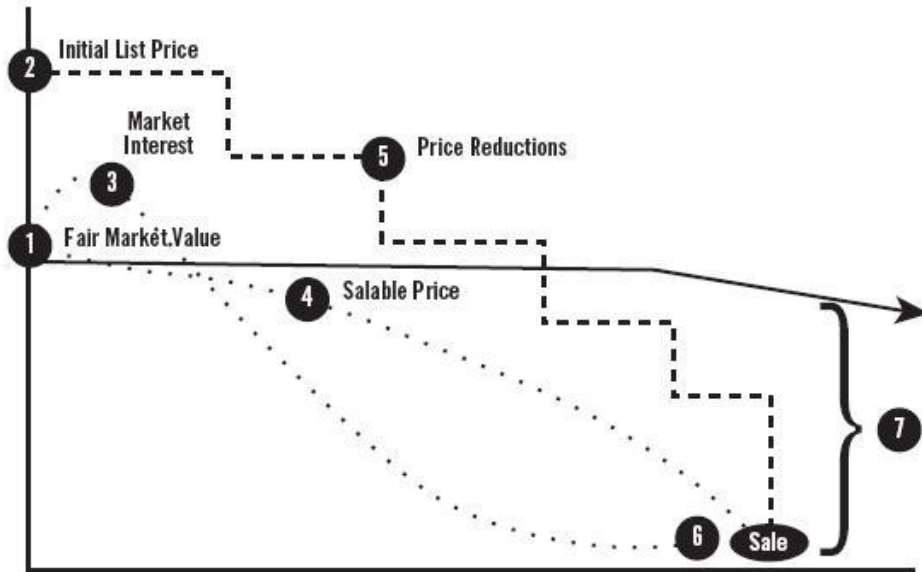


### THE COST OF OVERPRICING IN A *SHIFTED* MARKET



- (1) Fair Market Value declines during a Market Shift.
- (2) Seller hopes a higher initial price will draw a higher offer.
- (3) Market interest is fragile (with high inventory) and wanes quickly.
- (4) Salable Price is impacted by declining market values, "staleness," and competition.
- (5) Small price reductions only "chase down the market."
- (6) Properties sell when buyers see very attractive prices.
- (7) The *Cost of Overpricing* is amplified after a shift!

FIGURE 34

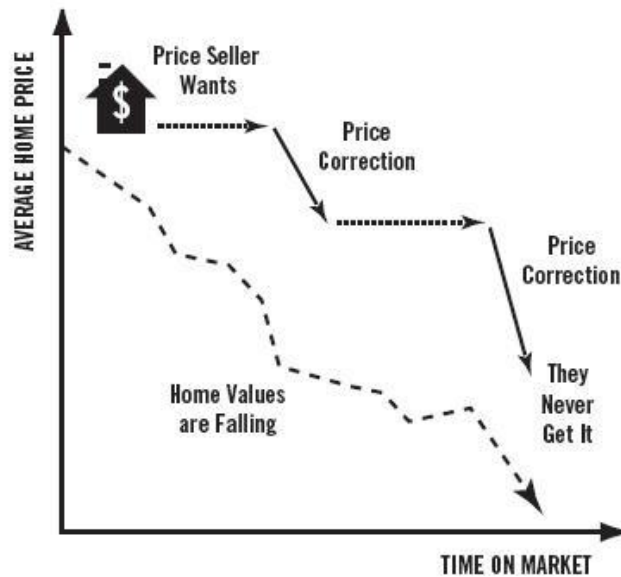


FIGURE 32 If sellers fall behind a market with falling home values, they can end up chasing the market down, because home values are always falling faster than their price reductions.