

Overpricing in the South African real estate industry

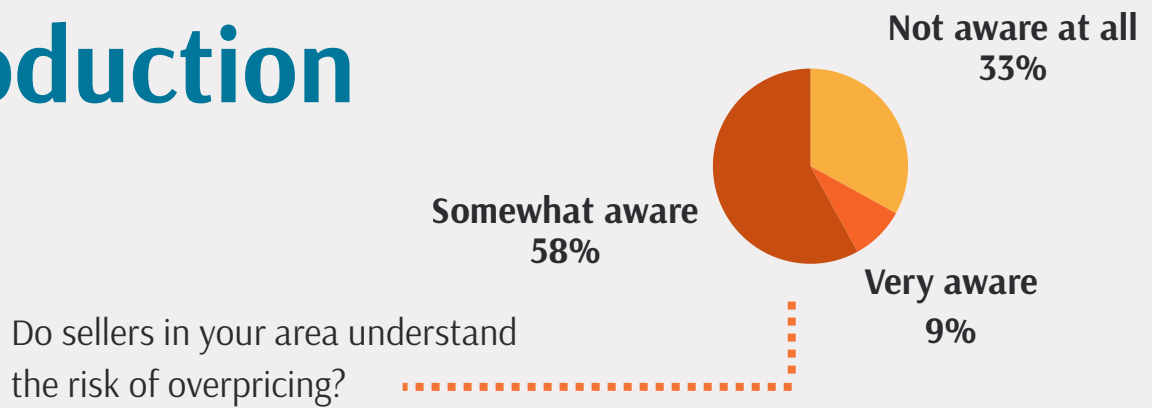


MyProperty Sentiment Index Sep 2025



South Africa's #1 independent and free-to-list portal

Introduction



This is one of the questions we posed to hundreds of agents in our survey, and it highlights a core problem in the industry: most sellers underestimate the risks of overpricing their homes.

Are sellers alone to blame, or are agents adding fuel to the fire by accepting overpriced properties or offering inflated prices to secure a mandate?

In all my years in real estate (I grew up in a very passionate real estate family!), I came to understand that real estate is more than just numbers - it's about relationships and, above all, trust. Buying or selling a home is an infrequent event and a highly emotional journey. Central to this trust is the estate agent, and choosing an experienced one makes all the difference.

Our industry is very competitive, with agents of varying experience leading to inconsistent outcomes for consumers. Rising costs and stricter regulations have also made real estate increasingly admin and compliance-intensive, including efforts to help fight money laundering.

Consumers sometimes forget that agents work on risk and essentially “for free” to market a home at the seller’s price until it’s sold, often while managing unrealistic expectations from sellers. Our MyProperty Sentiment Index aims to provide insights into what’s happening on the ground by speaking to the people who need to make these sales happen.

As an independent property portal, our mission is to educate, empower, and bring greater transparency through unbiased views - helping everyone make smarter, more informed decisions. Enjoy reading!

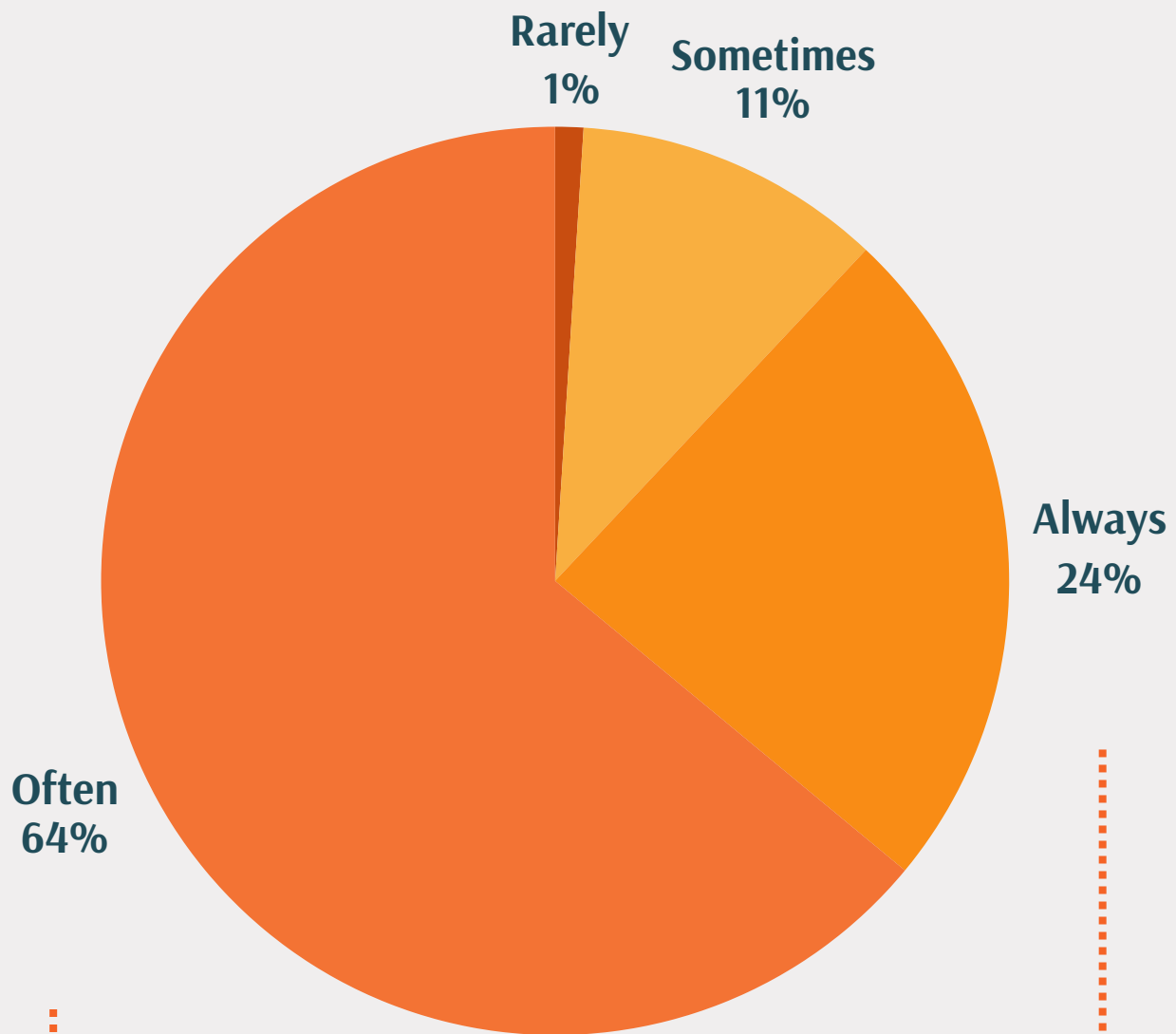


Adriaan Grové

Entegral & MyProperty Founder 

What agents see every day

How often do you see overpriced mandates in your area?





A striking 88% of agents report that they often, or always, encounter overpriced properties.

Listing prices vs Reality

*“Sellers trust market prices over market sentiment. When deciding on a price, they tend to align their properties with the asking prices of current listings, **rather than considering actual sales data**. This reliance on listing prices often warps homeowners’ perception of their property’s true value.”*

Jean-Pierre Robak





32 photos Map Street view Video tour Save Notify Similar

R6,950,000 ~R73.1K/month

3 bedroom house for sale in Langebaan Country Estate

Western Cape > Langebaan > Langebaan Country Estate

1354 Vogelsanck Drive, Langebaan Country Estate 3 Beds 3.5 Baths 2 Garages


329m² 716m² Pets Allowed Backup Power

Modern Family Home With Exceptional Views

EXCLUSIVE DUAL MANDATE

This well-designed family home offers a seamless blend of comfort, functionality, and scenic living. Positioned to capture views of the hillside, golf course, and lagoon, the property is located within the secure Langebaan Country Estate, home to the Gary Player Black Knight-designed golf course.

The open-plan living area includes a lounge with a wood-burning fireplace, dining space, guest toilet, built-in bar, and indoor stainless-steel braai. Stacker doors open onto a north-facing wooden deck and fully enclosed, north-facing garden bordered by clear-view fencing and green halos for




Buy R

40 Houses for sale in Langebaan Country Estate

Western Cape > Langebaan > Langebaan Country Estate

sort by latest added any time

Added 1 month ago



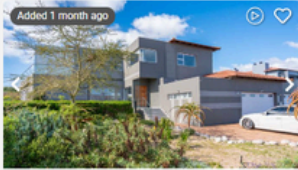
R5,550,000

Langebaan Country Estate

Four-bedroom, three-bathroom home in Langebaan Country Estate; 277 m² floor size on 690 m² land with double garage.

4 3 277m²

Added 1 month ago




R6,950,000 On show

1354 Vogelsanck Drive, Langebaan Country Estate

3 bedrooms, 3.5 bathrooms, 2 garages, 329 m² floor size, 716 m² land size in Langebaan Country Estate.

3 3.5 2 329m²


Added 2 months ago



Added 2 months ago

Single-storey Estate with 3 m² floor

Added 2 months ago



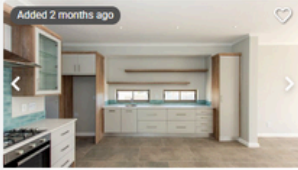
R4,495,000

Langebaan Country Estate

North-facing double-storey in Langebaan Country Estate with lagoon views, covered patio and stainless-steel braai, modern kitchen with scullery – two bedrooms, two bathrooms, and estate amenities.

2 2 200m²

Added 2 months ago




R4,750,000

Langebaan Country Estate

North-facing corner stand home in Langebaan Country Estate with 3 bedrooms, 2 bathrooms, 213.4 m² floor size on 782 m² land.

3 2 213.4m²

Added 2 months ago

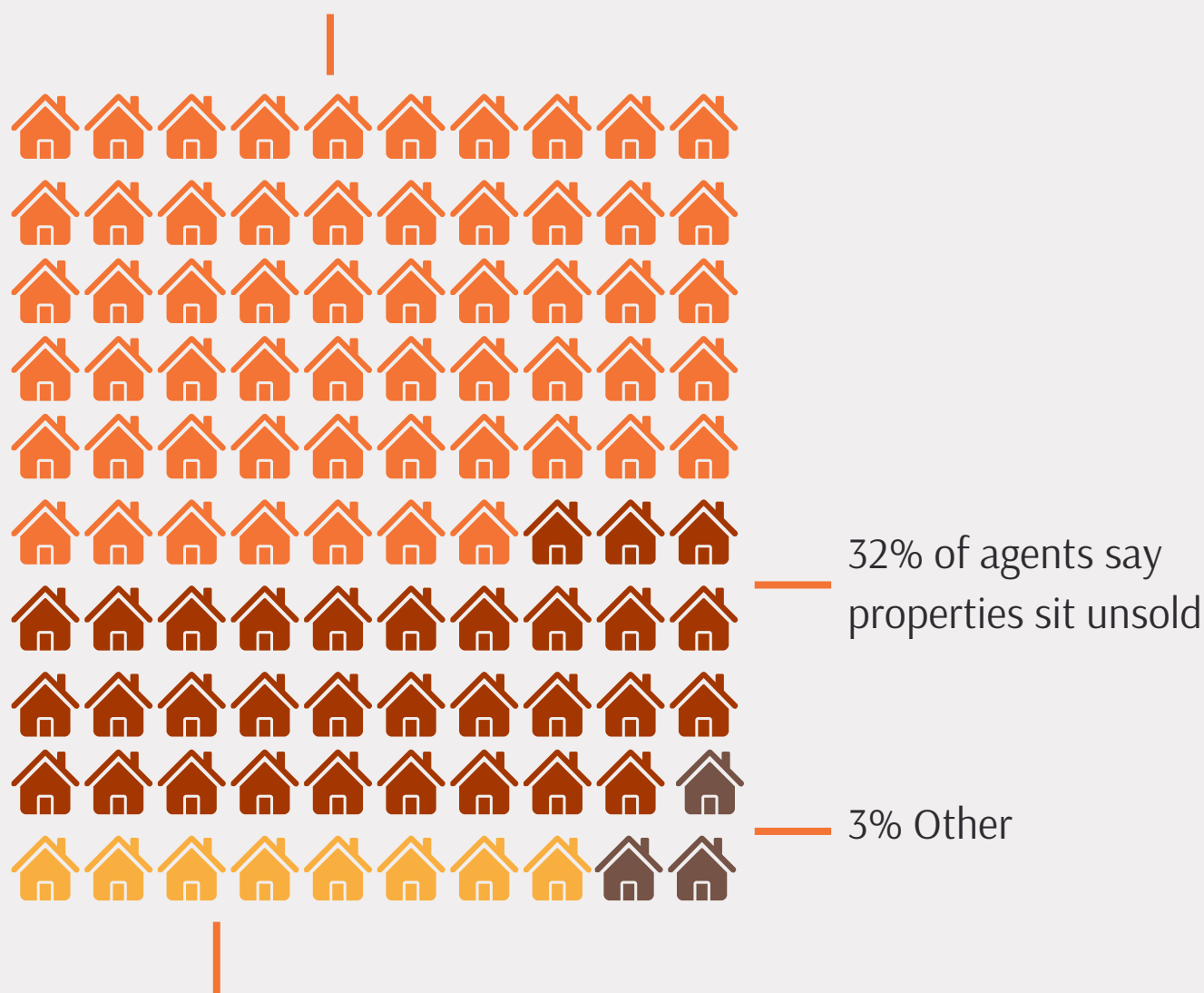


Contemp Chardon Villa with lagoon island kitchen corner-star

Overpricing doesn't pay

What is the typical outcome of an overpriced property?

57% of agents say properties sell at a reduced price



8% of agents say that sellers often withdraw their homes

The outcome is rarely positive. In the majority of cases, an overpriced property doesn't sell until the price is cut, often after sitting unsold for months.

Unintended Consequences

Perception and Comparison Matter

Buyers will often compare listings side-by-side. When a property is overpriced, more accurately priced homes nearby begin to look like bargains by comparison, not because their value has changed, but because the overpriced listing sets a higher baseline. This cognitive effect is supported by real estate psychology insights:



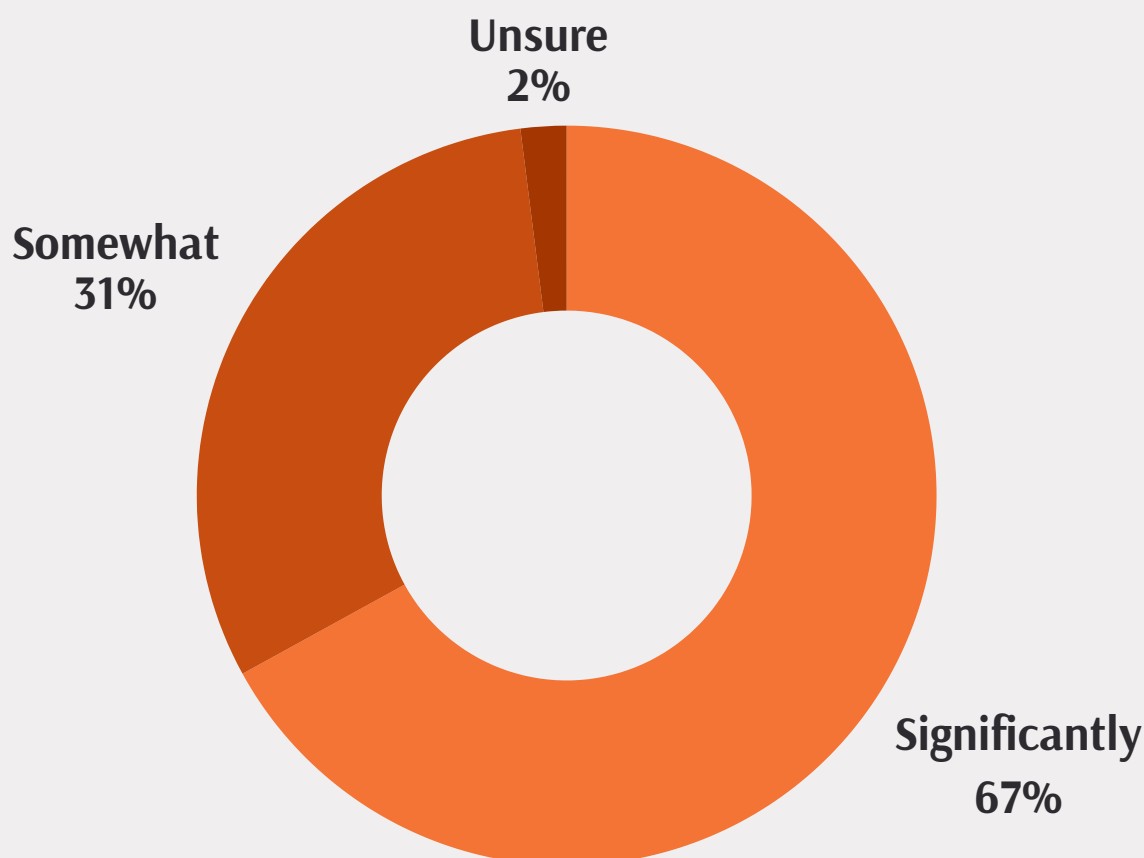
The **anchoring effect** means the first price buyers see heavily shapes their expectations. If one listing starts 20% above realistic value, neighbouring listings look more reasonable, even if they don't sell at that premium.



Overpriced listings **deter buyers**, who naturally shift their attention to well-priced alternatives. Even strong advertising can't fix a wrong price, marketing impact quickly diminishes when a home is overpriced, reducing buyer interest and the chance of a sale, while also adding to the agent's operational costs.

Overpricing vs Trust

Does overpricing affect buyer trust?



The result is that trust in the property market takes a knock. Almost every agent believes **overpricing damages buyer confidence**. When buyers see inflated prices, they start to question whether a seller is realistic, and whether the market itself can be trusted.

Time on market hurts value

“Some properties are overpriced and only reduce their asking price after buyers reject them. Eventually, the house sells at market value, but only after an extended time on the market. If the property is in poor condition, it often sells for less than market value. Some sellers have kept their homes listed with multiple estate agents for years, hoping for a high price.

Buyers are well informed and quickly reject overpriced properties - they wait for price reductions and then make offers below the new asking price.”

Retha van Zyl



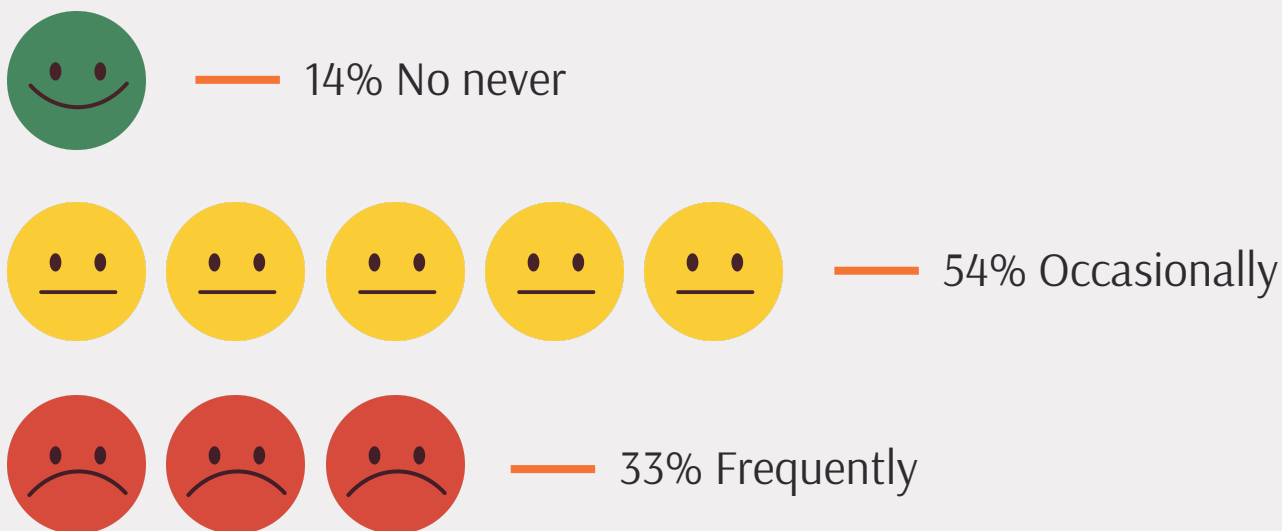
An actual price reduction recorded on MyProperty

Property history

Listed for sale at R4,990,000	01 Nov 2024
Price reduced by 3.8% to R4,800,000	05 Dec 2024
Price reduced by 6.3% to R4,500,000	16 Jan 2025
Price reduced by 22.2% to R3,500,000	09 May 2025

Losing out to overpricing

Ever lost a mandate because another agent overpriced?



Around **87% of agents** report frequently or occasionally losing the opportunity to sell a property when another agent overprice it. But those listings usually end up back on the market later at a reduced price.



Experienced agents have learned to walk away from unrealistic mandates, knowing it's a waste of energy to chase overpriced listings.

Pressure from the top

High competition and questionable tactics: agent feedback



“Some agents accept any mandate because agency principals measure them by how many listings they secure each month. This needs to change.”



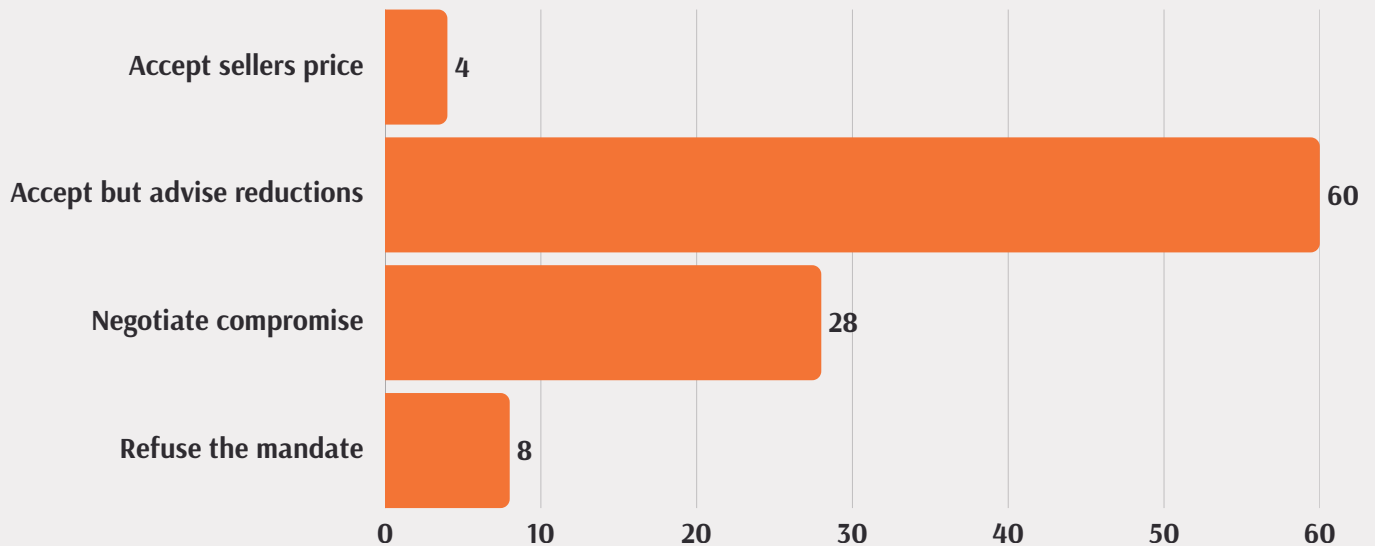
“Some agencies encourage their agents to overprice the property and later price counsel after they have obtained a sole mandate.”



75% of homes end up selling below asking price,
and 1% above asking price.

When the seller insists

How do you respond when the seller insists on a high price?



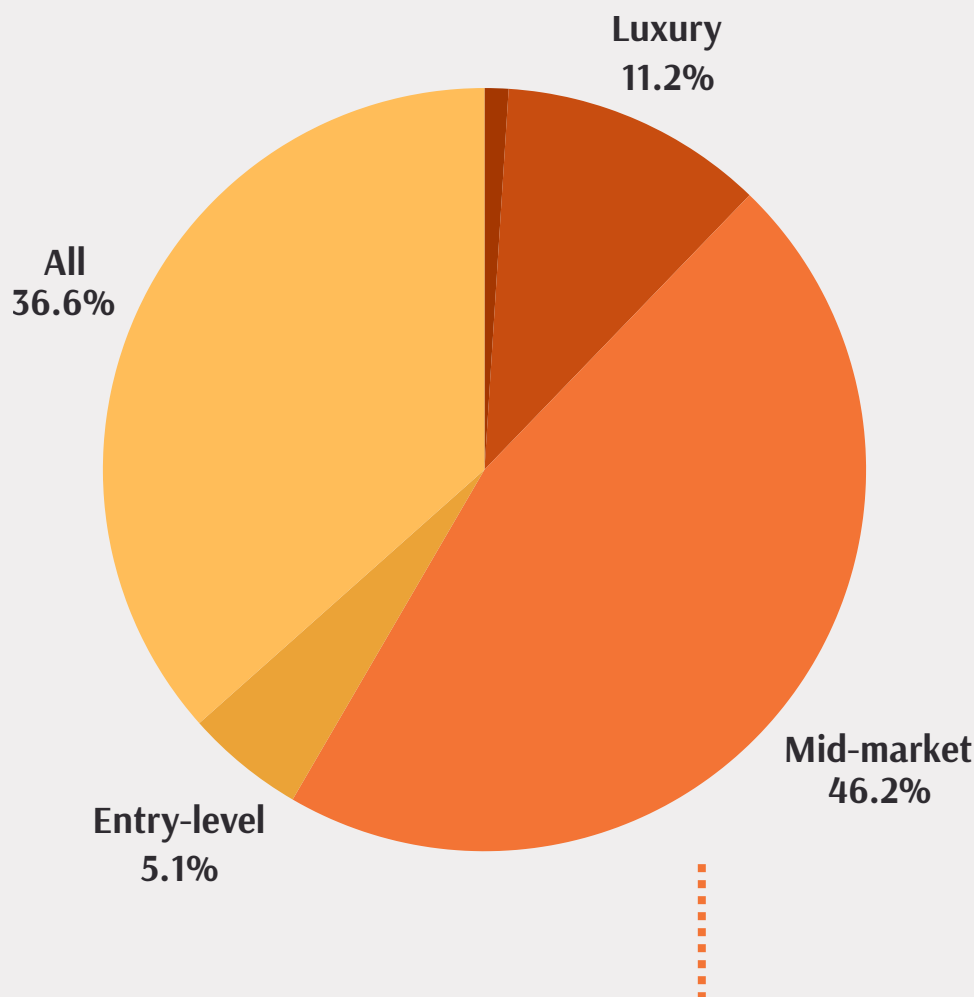
“Most sellers are too emotionally attached to their properties and believe that their homes are unique, better, bigger, more modern, neater, better maintained etc. than other similar properties in the area and therefore they should be able to get more when this is unfortunately most of the time not true.”

Marnus Steyn



Overpricing by segment

Where is overpricing most common in your area?



Overpricing happens everywhere but the mid-market stood out as the biggest culprit, with the majority of agents flagging it as the segment where sellers most often push unrealistic prices. Luxury properties were highlighted next, where prestige and emotion often inflate seller expectations.

How experience shapes views

Overpricing is almost universally seen as common and damaging, but the way agents perceive and respond to it shifts with experience. Here are some findings from our survey, based on agents' years in the industry:

Less than 1 year: This group still sees the same issues but shows more neutrality. About 63% encounter overpricing often or always, but they also report the highest share of "sometimes" and even a few "never" responses. They're still learning the ropes and often take overpriced listings to build a client base.

1–3 years: Newer agents feel the brunt of overpricing. Over 90% encounter it often or always, and nearly three-quarters believe it significantly damages buyer trust. Many admit to losing mandates to competitors who promise higher prices. They are more likely to accept listings at the seller's price but with advice on later reductions.

4–10 years: Mid-career agents are the most frustrated. Nearly 90% say they face overpricing constantly, and 39% feel sellers are not aware at all of the risks, the highest across all groups. More than half say they have lost mandates, often frequently. This group is increasingly firm, negotiating harder and walking away when necessary.

11–20 years: Seasoned agents confirm the same issues, but they balance frustration with experience. Around 89% report overpricing often or always, yet they're slightly more likely to stand firm, refusing mandates or negotiating harder. About 40% said they lose mandates frequently due to overpricing, one of the highest rates.

20+ years: Two-thirds of veteran agents say overpricing happens often, but fewer of them (57%) view it as significantly damaging to trust compared to newer agents. They consistently highlight seller stubbornness and wasted time but also voice that they've learned to walk away from unrealistic mandates. In short: experience has taught them not to waste energy chasing overpriced listings.

Number of respondents by years in real estate

Agents speak out



“Transparent pricing is essential to building trust between buyers, sellers, and agents. When properties are realistically priced, transactions move faster, buyers feel more confident, and the entire industry benefits from stronger credibility.”

Dina Porteous



“Determining property prices isn’t always straightforward - especially in suburbs with a mix of home styles and ages. Comparative Market Analysis (CMA) reports provide useful data, but in these cases, the “black and white” numbers can be misleading.

Seller expectations are often further distorted when agents - particularly those lacking in local experience - rely solely on CMA values without applying on-the-ground knowledge gained through past sales and listings. The result? Inflated area prices, driven as much by practitioner shortcomings as by market forces.”

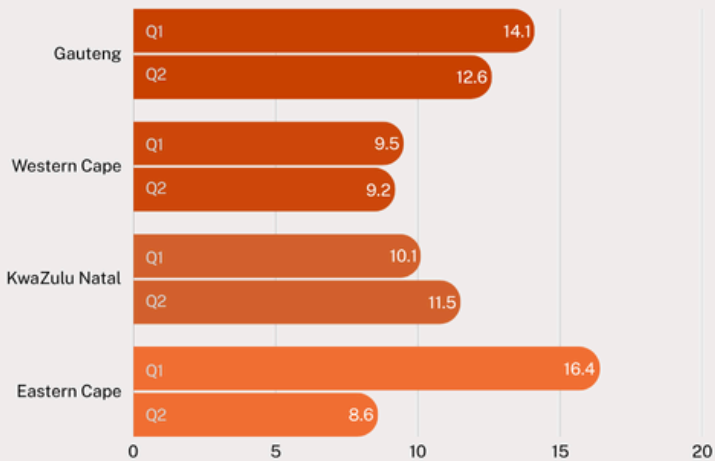
Brendon Funnel



How long does it take to sell?

Time On Market: Provincial Comparison

Weeks and days spent on the market Q1 vs Q2



Source: FNB

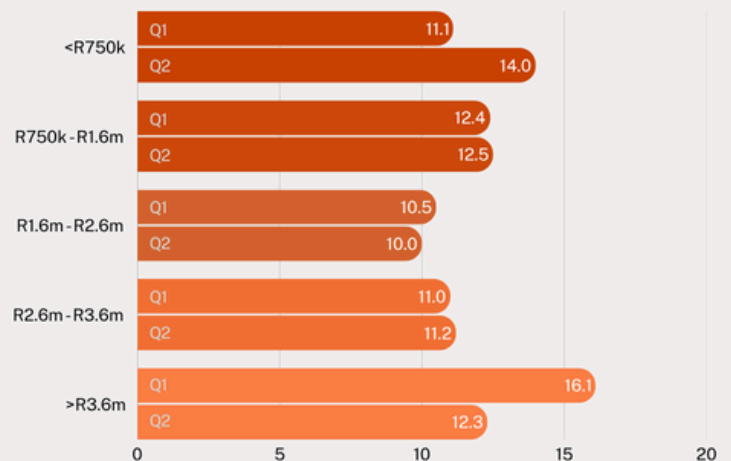
The average time a home spends on the market is around 12 weeks [↗](#)



Selling an Overpriced Property? How to Bounce Back and Attract Buyers [↗](#)

Time On Market: Price Segment Comparison

Weeks and days spent on the market Q1 vs Q2



Source: FNB

The agent's perspective

“We always advise our clients about this and support our pricing with real data. Unfortunately, we’ve encountered many agents who succeed in triggering sellers’ greed by promising them the moon and stars. Most of these agents are skilled at what they do and will even make negative comments about other agencies to secure the business. In the end, they harm the seller, as the property sits on the market for months and usually sells for the price originally advised by other agents. We call this practice ‘buying a mandate,’ and it is ruining the market and damaging our profession’s reputation.”

Jacques Ulrich



“Our office has prepared brochures for sellers, showing how market-related properties sell better than overpriced ones. We educate our clients and provide a Market-Related Property Valuation Report before listing online.”

Zivile Du Preez



The agent's perspective

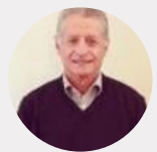
“I recently did a valuation, but the seller was unhappy with the price as they had over-invested in the property for the area. I agreed the house was worth more, but the market value was the deciding factor. Other agents promised even higher prices just to secure the listing. I told the seller this would happen, and eventually, I got the mandate.”

Ishshah Bashe



“Owners often believe their properties haven’t lost value because of the improvements they’ve made, overlooking the reality of what the market can bear at the time of sale - a value determined by multiple realistic factors.”

Keith Scafturis



They always say, ‘Let’s try and see.’ That’s when I tell them, ‘You’re spoiling the sale of your property.’

Pierre van Eeden



Advice for sellers

- ✓ **Choose wisely.** Compare more than one experienced agent and their recent sales.
- ✓ **Trust the data.** Ask for a CMA (Comparative Market Analysis) to understand true market value.
- ✓ **Price right from the start.** Fair pricing attracts serious buyers quickly.
- ✓ **Don't chase the market down.** Homes that linger usually sell for less.
- ✓ **Understand the market cycle.** In a cooling or buyer's market, overpricing risks long delays and bigger discounts; in a seller's market, pricing right still delivers faster, smoother sales.

Bottom Line

Overpricing isn't "testing the market" – it delays your sale, erodes trust, and costs money. Smart pricing, guided by market conditions and agent expertise, is key to success.

Agents speak out



“In my opinion, our job as real estate agents is to bring property values up, not to try and sell bargains. However, if a property is unrealistically high, I would rather walk away and return months later, once the seller understands that their expectations were unrealistic.”

Lalian Fourie



“Sellers often don’t understand that the value of a property is determined by a willing and able buyer. Many believe their property is far superior to others, or they’re influenced by inexperienced agents who inflate prices.”

Kevin Wearing



“Every seller thinks their property is the best, and they tie emotions to its price.”

Wilna Stringer



Lead the Change

Overpricing hurts everyone - from sellers and buyers to the reputation of the industry itself. By pricing realistically, educating clients, and refusing to fuel inflated expectations, ethical agents can lead the way in rebuilding trust in the market. Each fair listing is a step toward a healthier, more transparent property industry.

Join our community of forward-thinking real estate professionals and be the change

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