



## **HOW TO DETERMINE THE PRICE OF YOUR HOME**

Why is it that some homes sit on the market for a year while others sell like hot cakes? Frustrated sellers will blame a bad market, while a good real estate professional will tell you that many times, a slow sale is often attributed to the listing price.

If a home is overpriced, buyers will stay away. But, if the price is competitive with similar homes in the area and "shows" better than the competition, it will have a better chance of being sold quickly.

The secret is perfecting a technique that's as American as apple pie: comparative shopping.

Although comparing houses with different styles, square-footages and locations is challenging, real estate professionals still feel it's one of the best methods to use when determining a home's market value.

A responsible real estate agent will effectively evaluate a home's worth through a process known as Comparative Marketing Analysis (CMA). Taking a look at assets, such as a swimming pool, bigger than normal living spaces, a fantastic view, adjacent city parks and other attractions, the agent will begin to compare your home with similar properties, called "comparables," that have sold in the area within the last six months. Typically, the agent is able to recommend a realistic price range that will ensure you top dollar and a reasonably

However, factors such as the amount of time needed to sell your home can alter the agent's price recommendation dramatically. Typically, people should check with real estate offices in the community to determine the typical duration that listings are on the market. Sales associates will explain that the

marketing “norms” vary with prices and properties. Based on this criteria, the agent feels confident that he or she will be able to sell it for a price that both you and the buyer will be happy with. However, if you’re under time constraints because of unexpected job changes or moving agreements you’ve made on another property, this will narrow your chances of selling the home for top dollar in the market.

Assuming you have sufficient time to market the home, here are a few small steps you and your agent can take to finding the right price for your property.

The best comparisons can be made with similar homes that have been sold within the last 45 days as opposed to the standard six months. Any longer and other factors, such as the economy, could cloud your view of how much your home is really worth.

Another good benchmark is to review the selling prices of homes that have just been sold and are pending closes. Most MLS services provide information on deals pending that most real estate agents should be able to share with you.

A good rule of thumb before setting a price is to make 20 comparisons of comparable properties within a one-mile radius of your house. Once completed you can feel comfortable that the price you’ve picked is a good gauge of the home’s worth and won’t discourage qualified buyers.

Being open and honest about what you see as the home’s greatest strengths and biggest weaknesses will also help an agent get a better feel for how to best evaluate (or assess) and market your home. Think of your home as if you were the buyer. If your home is listed at the right price, you’re well on your way to a speedy and fruitful sale.