

Right Pricing Your Home

The correct pricing method is a comparison of your home to similar homes which have recently sold and which are currently on the market. If the market is rapidly changing the most valuable sales will be the most recent. Generally, a sale that is aged more than six months is too old to provide a realistic picture of what the current market is doing.

Comparable homes are chosen using a number of criteria:

Proximity to your house

Size – the square footage should not be more or less than 15 percent of the size of your house's size

Age – the age of the comparables should be as close to the age of your house as possible

Basic appeal to a market – number of bedrooms and baths, number of stories, and the garage size should be similar

Amenities – these are costly extras such as a pool, hot tub, and recent major renovations

Normal sales conditions

After the comparable homes are selected, values are adjusted. This is done to make the homes as much like the subject as possible.

Pricing your property is a science and an art. When you price in line with recently sold data, you have clear information that shows what homes sell for. This is valuable because your home must appraise for at least what the buyer will borrow against it.

The art of pricing comes in analyzing your competition, assessing the buyer demand, current market conditions, available financing, and the lure of the new home market. Your sales professional compiles and analyzes all of this input in a competitive market analysis (CMA). The goal is finding the right balance between selling and getting the most money.