

# Selling YOUR HOME?

Is the Price  
right

Will it Sell  
fast!

Special Report Presented  
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## **SELLING YOUR HOME? Price right – sell fast!**

You've made the decision to sell your home. There are lots of reasons to sell; you may have decided to move to a better neighborhood or to buy a larger home with more amenities. You may be downsizing your empty nest or have to sell because of personal circumstances. Regardless of your reason for selling, setting the right price is crucial in ensuring that you get the return on your original investment in your home

### **Who sets the price?**

The price at which you list your home is determined by several factors including market trends, the condition of your home and its assessed value and a comparison with similar properties in your area. Your particular circumstances may also determine how you set your price.

**Ask your agent!** A real estate professional has the experience, skills and tools to assist you in setting the price for your home. Take some time to choose the right agent; look for a combination of expertise and commitment along with a personality that is compatible with yours.

Check with friends, acquaintances and your local real estate board for agents. Before settling on an agent find out how many listings they have sold in the last year. Your best ally is an agent with a good track record, whose properties sell quickly and who can move even "hard to sell" properties. A good agent is not content to deal in statistics and reports but works with you to showcase the uniqueness of your home and your situation.

A good real estate agent is not satisfied with simply knowing how much similar properties have sold for; they will find out why they sold for that price and then work with you to get the best value for your home.

### **Price is key to a timely sale.**

Statistics show that the best opportunity for selling a home for the asking price occurs during the first four weeks that the home is on the market. If your home is priced right it should attract a number of buyers willing to pay your asking price.

The "right price" is typically within 5% of "market value" and usually results in a sale at a fair price within a reasonable amount of time. A good rule of thumb is to price about 3% above market value. Setting the right price requires up-to-the-minute research into current real estate market conditions and financing trends. Other important factors include comparing your home with similar neighborhood homes on the market now or recently sold and identifying the unique features that make your home stand out from the crowd.

There are dangers in overpricing or under pricing your home. If you set the price too high you will attract fewer potential buyers and miss out on serious offers. If your house remains on the market too long you take the risk that buyers who are familiar with current listings will assume that there is something wrong with the property. This makes it more difficult to sell.

If you set the price too low you may attract many buyers and get lots of offers but you'll also lose thousands of dollars when you sell.

### **What are the risks of “Over Pricing”?**

Pricing your home more than 5% over market value may have the following consequences:

- Buyers may pass up your home in favor of better values elsewhere – they won't even come for a look.
- People who can't meet your price will not consider even making an offer.
- You may waste precious time when a buyer, making an offer at your over-market price, fails to get financing. Lenders tend to reject loans if the offer is more than the appraised value. While you are waiting for yet another offer to fail due to financing, potential buyers are looking at other properties, not yours.
- If your home is listed too long the marketplace assumes that there is something wrong with it.
- You may end up having to drop your price to BELOW that of comparable properties in order to sell.

### **When does it make sense to “Under Price”.**

Although you may lose money if you price your home below market value it may be necessary if you are in a situation where you have to sell in a hurry, or are unwilling or unable to make improvements which would warrant a higher price. The lower price attracts more prospects and more offers and may result in a faster than average sale.

### **Preparation is key.**

When you engage a real estate professional to sell your home they should immediately do a market analysis in order to determine the appropriate asking price. At this point you would be wise to have a professional inspection of your home to identify any repairs and upgrades that may be required or that would increase the value of your home. Besides providing useful information for you and the realtor an inspection will eliminate unpleasant surprises when a buyer orders a home inspection of their own as a condition of the sale.

The purpose of a market analysis is to assess your home itself and the market in which you are selling. When suggesting a selling price the professionals will consider:

- the size, condition and location of your home

- the lot size, number of rooms and their function, and special features like garages, decks, sunrooms, hot-tubs, etc.
- the condition of the exterior and the interior, the foundation and grounds,
- the list price or sale price of other comparable properties. You and/or your realtor should make a point of actually visiting comparable homes for sale to note their condition and particular features in order to better understand the closing price.
- the assessed value of your home, its previous sale prices, costs of maintenance, utilities and taxes
- improvements you have made
- the state of the market – in a seller’s market you can price on the high side; in a buyer's market you may have to set your price lower

After completing a market analysis your realtor will be able to advise you on minor or major repairs and necessary upgrades that you should undertake in order to put your best “foot” forward. Check out our “Home Makeovers” Special Report. Once you have seen the market analysis you can decide whether to spend the time and money to upgrade or set your price accordingly.

Whether or not you undertake major work you will increase the possibilities of selling at your asking price if you make sure your home is orderly, both outside and inside, spotless, uncluttered and welcoming to anyone who comes to look at it.

### **“Show me the money!!!!” – What’s your bottom line?**

It’s important that you know exactly what you will walk away with if you sell your home for your asking price. Before finalizing your selling price ask your realtor to calculate what you can expect to realize from the sale after all the costs are deducted. By taking the price of the average comparable home and subtracting what is owed on your mortgage plus the closing costs and the realtor’s fee, as well as any planned repairs, home warranties and other costs you will arrive at the amount that you can expect to clear from the sale.

If this amount doesn’t make you smile you should go back to square one with your realtor and decide what you need to do to increase your selling price.

### **In Conclusion:**

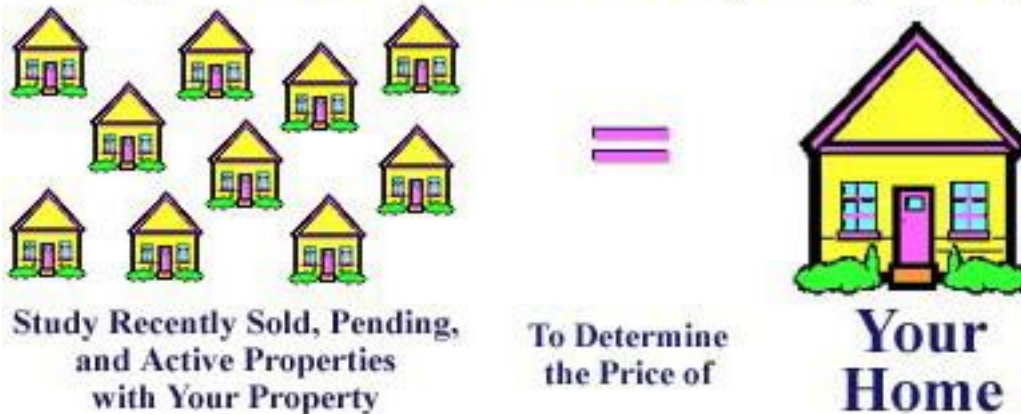
Setting the right price is the key to selling your house. To get the best price you need the help of an experienced realtor who will conduct a market analysis, advise you on what can be done to highlight or increase the value of your home, and set an appropriate price.

Even if your home is in poor condition or in a bad location it will still sell if it is a good value. Meaning if you set the right price. You can obviously get a higher price if your home is in good condition, in a nice neighborhood and if you have the time and money to spend on specific improvements.

**Additional Information:**

1. General information on pricing your home - <http://houseandhome.msn.com/selling/sellingoverview.aspx>
2. Domania - <http://www.domania.com/index.jsp>
3. HomePrice.net - <http://www.homeprice.net/>

# Comparative Market Analysis (CMA)



## What you should know about a Comparative Market Analysis (CMAs).

As part of the listing process, many agents prepare a Comparative Market Analysis (known in the industry as a CMA) to help establish a realistic price range for a home. Although the format varies somewhat with each company and from agent to agent, a CMA is basically a written report on your home that contains property profiles of homes in the area which compare closely to yours. Included in the study are homes currently listed for sale, recently sold properties and properties which did not sell during the listing period. Sometimes certain amenities, additions and/or improvements are also considered.

The key to remember about a CMA is that if properly researched, it will give you the hard numbers necessary to reach a realistic pricing decision. The price range you get from an agent using a CMA may well be lower than what you get from agents who don't use one. But when a CMA is used to determine the asking price of a home, the final sale price is usually closer to the CMA price, than a price determined without the use of a CMA. Another important benefit of using a CMA is that when a home is priced properly, it will usually sell faster.

**What did the house next door sell for?:** a CMA will show you the current selling prices in your neighborhood.

**What should we price our house at?:** a CMA will show you the range your listing price should be in.

**What is in it for me?:** if a CMA is done on your home and then used with an Estimate of Selling Costs, a reasonably accurate estimate of proceeds to you is determined.

**Insert the CMA you have prepared on the sellers property**