

## Comparative Market Analysis

You might get a letter in the mail or an advertisement left on your door offering a complimentary comparative market analysis for your home. Real estate agents typically offer this service for free to help people get an idea of what their home is worth in hopes they will decide to sell.

In short, a CMA is an estimate of your home's current value based on recent sales of similar homes in your area.

### COMPS

Agents compile your home's CMA by looking at the final sale price of comparable homes, or "comps." The more similar the comps are to your home, the more accurate the CMA.

Realtor.com says comps should have the same number of bedrooms and bathrooms, be located within a quarter-mile of your home, and be within 200 square feet of your home's size.

It's best if they are in your



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### REAL ESTATE 101

#### Buyer's Tip

A real estate agent also can complete a comparative market analysis for a home you are considering buying. This will help you understand whether the price is fair for the market and give you leverage in negotiations.

ZIP code and school district, as well, and sold within the last six months.

Consider how similar the comps are to your home. For example, if the comps include a house with a three-car garage and a finished basement, while your home has a

two-car garage and an unfinished basement, the agent should use all of that information to adjust the estimate for your particular home.

Similarly, a home that has been recently renovated will likely sell for more than an outdated home that is other-

wise comparable.

Another consideration the agent should make is the terms and financing used in the sale of comparables. Homes that sell quickly for cash will likely go for a lower price.

Timeliness of the comps is also important. A home that

sold a year ago is not a reliable comp because the market could have changed considerably during that time.

### HOW TO USE THE CMA

The CMA will give you an idea of what your home might sell for. It is not a guarantee. Online home valuation websites, such as Zillow, use algorithms and raw data to estimate a home's value. Your local agent will have more insight into trends in the market in your area, which might make the value they give you more accurate.

A CMA also might not be able to capture all relevant data regarding your home's value. For example, is your home located near a busy intersection or in a neighborhood where prices are rising? These factors can affect your home's value in a way that might be difficult to capture in a CMA. A good agent can serve you well by helping you understand all the factors that could influence your home's value.

The process of getting a CMA allows you to get to know an agent. Use the opportunity to get a sense of the agent's experience and skills, in order to judge whether it might be a good fit should you decide to sell. You might even get multiple CMAs in order to find the right agent for you.





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### HOMEWISSE GLOSSARY

**Survey:** The measurement of a parcel of real estate by a licensed surveyor. It shows the specific details about the measurement, shape, size and location of the property.

SOURCE: MLS.com

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