

Set The Right Price For Your Home

By ALEX MASON | Green Shoot Media

Selling a home is a game of careful calculation to be sure you meet the fair market price and attract qualified buyers.

Many homes that are overpriced find themselves languishing on the market for an inordinate amount of time, causing stress and financial strain on the homeowner. And if the home is underpriced, you may be able to sell it quickly but end up costing yourself money.

Finding the right price point for your home is made easy by using industry tools to shape and guide your price range.

Always objective and never emotional, your price should meet competitive standards for your general neighborhood and city block. Overpriced homes have little chance of going into escrow, and underpriced real estate has the best chance for a quick sale.

COMPS

The comps, or comparatives, are a basic guideline of what other homes in your vicinity are selling for. The homes that are the most similar to your type of property will give you an idea of where your perfect price point is.

Factors such as a corner lot, in-ground swimming pool and interior upgrades will definitely affect the total sale price, so to begin, just stick with the square footage, number of bedrooms and bathrooms and size of the garage.

UPGRADES

When you are selling your home and wish to remodel it for a better showing condition, be sure to use caution with how much you intend to spend. Not all home improvements will recoup your rehabilitation investment, no matter how luxurious you believe the enhancements are.

The tried and true remodeling



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The listing price you set for your home can make a huge difference in the time it takes to sell. Your agent has tools to help you attract buyers by zeroing in on the right price.

efforts that yield a high return are upgraded and modernized kitchens and bathrooms. Paint also is a green light, and new carpets add a fresh and attractive appearance.

However, investing in crown moldings, a swimming pool or a wet bar can be hit and miss and may not warrant the total cost of the rehab money flowing back to your pocket when closing the sale.

APPRAISAL

When a buyer makes an offer on your home, he or she is under the

assumption that the property will appraise for your asking price. Most home buyers will finance the property with a loan, and very few can offer a cash deal.

When a bank funds the property mortgage, the amount of the loan may not exceed the appraised value of the home. If the buyer has entered into an agreement with an overpriced property, he or she may make up the overage with a deposit, but in most cases the home purchase deal is scrapped because the property price was set too high by mistake.

STAND BACK

The best advice to sell a home quickly and efficiently is to use the services of a real estate office. Your Realtor or agent has all the experience to set your price point to the where both buyer and seller are satisfied with the deal.

When your home is going to market, it's important to stand back and look at the real estate industry, trends and buyer behavior and release yourself from emotional attachment to the property. Emotions can cloud the

REAL ESTATE 101

Do Your Homework

The following websites offer more advice about how to determine what price you should ask for your home:

■ Realtor.org: A Field Guide to Determining Asking Price

<http://www.realtor.org/field-guides/field-guide-to-determining-asking-price>

■ Federal Housing Finance Agency: House Price Calculator

<http://www.fhfa.gov/DataTools/Tools/Pages/HPI-Calculator.aspx>

scene and cause you to make poor judgment calls on what your home is really worth.

So, take a deep breath and stand back while your real estate professional takes your home to market and seals the deal for a fair price.

Alex Mason is a former real estate agent and mortgage broker living in Los Angeles.



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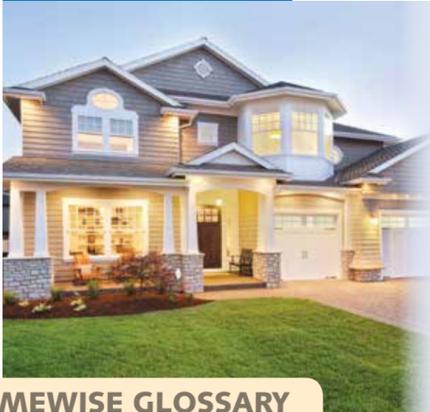
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HOMESWISE GLOSSARY

Market value: the price at which an asset is transferred between a willing buyer and a willing seller, each of whom has a reasonable knowledge of all pertinent facts and neither being under any compulsion to buy or sell. Market value and cash value tend to be equal.

SOURCE: Freddie Mac

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