

ESTABLISHING YOUR ASKING PRICE

In most cases, the first thing you should do is call the realtor you bought your home through. Most of the time you will have a trust and familiarity that will work well for both of you. Plus, your realtor knows your home. Ask them to set up an appointment with you so that you can show them how you have or have not upgraded the home since you purchased it. From there, your realtor will consult the M.L.S. databank and search out what buyers have recently paid for homes similar to yours and located in areas of similar value. An accurate selling price range is determined with such an analysis. This process is called Comparative Market Analysis.

After the probable selling price is established, the next question is how much above that figure should your asking or list price be? The answer to that varies with what type of market conditions we are experiencing at the time.

How many homes are for sale in your price range? How stiff is the competition from those homes? What are interest rates at? How long are homes taking to sell? How fast do you need to sell? All these factors have an impact on your asking price.

Our current marketplace has been very active, even over-active in the first five months of this year. Inventory was critically short. Sellers were best advised to put about an extra 5% onto the selling value shown in the comparative market analysis. The Seller could simply wait a while until the market rose to meet the price. That way it removed the risk of asking too low a price.

Now that our inventory of homes and condos has picked up, and the ratio of the number of Sellers to the number of Buyers is more balanced, I do think the asking price should not be much above the anticipated selling price. The reason being that if you ask too much, and the competition does not, the competition will get the offers and you won't. Overpricing really subdues interest in your property. Buyers make offers when they get excited about the home. Part of that excitement is knowing a home is fairly priced. In many cases if the deal is a really good one, it can cause two or three Buyers to make offers at the same time. In that situation it is common to see the Seller get a price higher than their asking price. Asking too much above market value and saying "make me an offer" doesn't work. Buyers inevitably make offers on the homes they like that are the best deals.