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THE SPOKESMAN-REVIEW

The Right Price in Today's Market

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"What is the right price for my home?" will be the most important question that home sellers engage in with their REALTOR® this year, because competitive pricing is critical under current market conditions.

The question most often asked by buyers is, "Is this home priced right?" If the answer is "no," then many buyers will not hesitate to move on, in search of the right home at the right price.

Market value is always what today's buyer is willing to pay and what today's seller is willing to accept, to complete the home sale transaction successfully. It is not what your next door neighbor sold their house for last summer. It is not necessarily the same as the assessed tax value on your property tax statement. And it might (or might not) be the amount you need to "break even" after completing renovations or improvements. It may not even be the same price it was appraised for more than six months ago.

So, how do you determine the current market value of your home? Experienced REALTORS® will advise that the following seven items all play a part in setting the right price.

Consider comparables. What have other homes in your neighborhood sold for recently? How do they compare to yours in terms of size, upkeep, and amenities? Your REALTOR® has the ability to sort and analyze the most recent data on similar properties recently sold in the Spokane Multiple Listing Service (MLS).

Consider competition. How many other houses are for sale in your area? Are you competing against new homes or bank-owned properties? All three activities – sold, pending, and currently listed for sale, are important in determining the market value of your home, as well as helping you value your recent renovations or added amenities. Your REALTOR® has been inside of dozens of area homes, supervising inspections and negotiating transactions for the benefit of others with similar situations as yours. They have seen the competition and the condition of like properties that help determine your home's value in the marketplace.

Get an appraisal. You do not have to wait for a buyer to request an appraisal. For a few hundred dollars, a qualified appraiser can give you an estimate of your home's value. Be sure to ask for a market-value appraisal. To locate appraisers in your area, contact The Appraisal Institute at www.appraisalinstitute.org or ask your REALTOR® for some recommendations.

Ask a lender. Since most buyers will need a mortgage, it's important that a home's sale price be in line with a lender's estimate of its value.

Be accurate. Studies show that homes priced more than 3 percent over the correct price take longer to sell.

Consider your contingencies. Do you have special concerns that would affect the price you'll receive? For example, do you want to be able to move in three to four months? Can you offer seller-financing, or a lease-purchase option?

Understand your bottom line. It's critical to know what price you'll accept before beginning a negotiation with a buyer.

There were over 4,900 homes in the Spokane Multiple Listing Service that sold successfully in 2008. Considering all seven steps above will allow you and your REALTOR® to more confidently price your home for sale in today's market.

A final reminder: Local home sellers and buyers can both gain insight by browsing and visiting current open houses at www.SpokaneOpen.com, available 24/7, sponsored by members of the Spokane Association of REALTORS®. Talk with a Spokane REALTOR® today.

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Source: National Association of REALTORS®