
DWELLING ON DWELLINGS



Determining the Price of Your Home

By **Brad Boisvert**

We've all seen the game show where contestants guess the retail price of popular items. Now imagine a big-stakes contest where you have to guess what a buyer will pay. Except this is not a game; it's what potential home sellers face every day.

As a home seller, the biggest mistake you can make is to price your house incorrectly. So how can you accurately determine the price of your home?

Perhaps the best way is to excuse yourself as an arbiter. You have a lot of emotional stock in your home, and unfortunately emotional stock can't be traded on the market. Potential buyers won't care that your son's handprint is in the sidewalk cement; in fact, they might not like that at all. They won't care how many banged-up thumbs you suffered during home repairs ... or how you planned all winter for your garden. To get an accurate assessment of your house's value, scrap the emotions and look at your house as a buyer will.

The first thing to remember is that buyers are comparing your home to other houses. You should do the same. An easy way to do that is to ask several real estate agents to prepare a Comparative Market Analysis (CMA) for your house. A CMA compares similar and recently sold properties to see how well your home stacks up in terms of square footage, location, condition, acreage, and amenities. By seeing what comparable houses sold for, you can get a better idea of what a buyer will pay for yours.

Try to get at least three CMAs from different agents. And beware of an agent who presents an inflated number. If two come in at one price and another comes in high, chances are the high number is more than hopeful. And it can be devastating to list a house too high right off the bat.

Houses on the market generate the most interest within the first 30 days of their listings. If a house gets overlooked because it's overpriced during those first weeks, the listing becomes stale if not tainted. Informed agents in the area will have an idea of how much your house is worth; if they think an appraisal won't support your asking price, they won't show it to potential buyers. After all, it will be a waste of their time to show houses that may have the sale fall through. And if you overprice with the intention of coming down, you open the flood gates to low-ball offers from buyers who will always assume the house is still overpriced. So try to get it right the first time.

To get a better idea of how accurate the CMAs presented to you are, do a little research yourself. Go to open houses. See

what the competition is offering in amenities and price. And with a discerning eye and a logical mind, pay careful attention to the biggest price drivers: location, condition, amenities, and terms.

Favorable locations obviously bring better prices. Is your house in a nicer neighborhood than others? Do you have a better view? Or is your home uncomfortably close to busy train tracks? Ask the hard questions and be brutally honest. When comparing condition, check other houses' roofs, foundations, carpeting, windows, and siding. How well does your home compare?

And keep an ear to the overall market trends. Seller's markets will generate bigger prices for your home than buyer's markets will. Currently, most of New England (new Hampshire especially) is still enjoying a relatively strong seller's market.

If you're a stickler for accuracy and like to take the guesswork completely out of the process, consider having your home appraised by a professional. After a thorough and in-person inspection, a professional real estate appraiser will give you the same sort of assessment a potential buyer will get. He or she will inspect the foundation, roof, electrical and plumbing systems, heating and air conditioning, windows, walls, and other items and give you a detailed report along with an estimated value. Real estate appraisers are certified in your state and their evaluations are generally very reliable. What's more, they're impartial.

What they are not, however, is free. Plan to spend \$300 to \$400 for a professional appraisal. However, you do it, don't take the pricing process lightly. A well-priced house will attract more showings and will sell faster ... for more money and fewer hassles to boot. And that will make everyone a winner in this game.