

## Understanding Pricing a Home

Pricing a home can make the difference between selling quickly or your home lingering on the market for months or maybe years! To price a home competitively, a Comparative Market Analysis (CMA) should be obtained.

### What is a Comparative Market Analysis?

The length of a report can vary from two pages to 50 pages. The complexity of the report is also a direct reflection of the agent's preferences in presenting information to the seller. A standard comparative market analysis should contain at least the following:

- **Active Listings:** Active listings are homes that are currently for sale. This list will contain listings that are considered your "direct" competition; therefore, the property will have many of the same features as your home. The prices indicated in the active properties are not a direct reflection of market values because it is at the seller's discretion to set the list price.
- **Pending Listings:** Pending listings are homes that are currently under contract and awaiting a final closing. They are not a comparable sale due to the fact that they have not closed. However, the pending listing can provide you with an idea of the market by researching the number of days that the property was on the market before going under contract.
- **Sold Listings:** Sold listings are homes that have closed in the last six months and are considered your comparable sales. These sales will be used by the appraiser to determine if the agreed purchase price between you and the buyer is in line with the actual market value.
- **Off Market/Withdrawn/Cancelled:** These properties were taken off the market for various reasons that could stem from the home being priced too high to seller's remorse.

### Comparable Sales

Comparable sales are those properties that have sold within a close proximity of your home which resemble your home the closest. The homes selected should have some of the following similarities:

- **Square Footage:** The comparable homes should be within 10% of the same square footage as the subject property.
- **Age of Home:** The closer in age the comparable property is to the subject property, the more in line the CMA will be with the market value provided by an appraiser.

- **Amenities/Condition:** The amenities, such as a pool, can set a price point for two very similar homes with one having a pool and one without. Also, a home that has been completely remodeled compared to a home that is considered a “fixer-upper” will carry a higher value.
- **Location:** The comparable homes should be within ¼ mile to ½ mile from the subject property. If the location is rural, there is more flexibility to proximity. Remember....LOCATION, LOCATION, LOCATION!!

Contact us to request your detailed Comparative Market Analysis (CMA) so that we can get you **HOUSE SOLD!!**