

Pricing in Today's Market

Pricing in Today's market is so critical this is what determines whether your place sells or just sits there. Asking the right price for your piece of property will determine whether you sell it today or watch it sit on the market for month after endless month. A brutal market like we are has turned the usual rules upside down. This article will discuss how sellers approach the questions of determining their property's value and setting an asking price.

Pull comparable listings and sales. Look at every similar piece of property that has sold within the last six months. If you are selling a home your comps close to what your home is like. First thing you need to compare is square footage it needs to be within 10% up or down from the subject property. Next is age if your home was built in the 80s it does not need to be compared to one built in the 50s. Lastly is the bedrooms and baths the comp needs to be the same as what the subject is.

As far as land is concerned look at improvements, if there is timber on the place you need to have an idea of what the timber is worth. A person does not price his timber of \$1000 per acre when it is worth \$500 per acre. Improvements such as buildings, and fences are valued by type, age and square footage. If you just have raw land it does not need to be in the same price range as such with improvements.

Study past sales. This is the starting point for any thoughtful and successful pricing strategy. Take the time to study past sale statistics for home and property similar to yours. None will be identical, of course, but having a clear understanding of true market value is the first step in establishing your asking price. Do not confuse active listings with past sales. What someone is asking does not mean that is what it is worth. This is your competition. It is important to be aware of your competition's pricing, but this is often just an indication of what your property is not worth.

Hire a real estate agent. This is not a time to try to sell your house on your own. A seller needs an agent who has experience in what you are trying to sell, whether it is your home or a piece of land. Your agent needs to be brutally honest about what your property is worth. A good agent will tell you what your property is worth, there is no need to get an appraisal on your property. Just because you had it appraised does not mean that is what it is going to bring. You can have 3 appraisals on the property and you can get 3 different values. Appraisals are for the bank, not to help your house sell. Just because you own the property does not mean it is worth more than some other property. Until next time may God bless.