

The Role of a Real Estate Agent in Pricing

- ◆ There is no “exact price” for real estate.
- ◆ We don’t tell you what we think your home is “worth.”
- ◆ The market determines value—together we determine price.
- ◆ We will show you a range of prices being paid for homes in your area.
- ◆ You determine the price based on the factors you control:
 1. Market Time
 2. Financing Alternatives Provided
 3. Condition of the Property
 4. Exposure Methods

Pricing Your Home

Advice From the Experts

When selling your home, one of the hardest things can be deciding on the price. You’ve called us in as experts to sell your home and to help you price it so it will sell. We’re truly dedicated to getting you the most money you can receive from that sale. In addition, I recognize there are many reasons you may already have a certain price in mind. You may be considering...

Your Original Purchase Price

Chances are you paid market value. However, markets change, and today we have to deal with the current market conditions. If you inherited the property and paid nothing for it, would you sell it for next to nothing? Of course not. You’d price it at fair market value and sell it for what the market will bear.

Improvements

Improvements should be made for enjoyment not resale. You cannot add an item to a home, select it to your style, use it, then expect a buyer to pay the original cost. Likewise, maintenance preserves the value, but does not create value. If you needed a new roof, it was needed as a maintenance requirement and cannot be added to the market price of your home.

Your Need For Money

Your need for money or the fact that you are moving to a more expensive area where you will have to pay more for a home has nothing to do with the home’s current market value.

The Cost to Rebuild Your Home Today

Construction cost does not take into account market value either.

Your Personal Attachment to the Property

The factors above may influence the price in your mind; but as you can see, they really have nothing to do with what your home is actually worth in today’s market. Over the years, we have often heard these comments from sellers:

- “Another agent said it was worth more.”
- “People always offer less than the asking price.”
- “The buyers can always make an offer.”
- “My neighbor was able to get his price.”
- “My house is better than these other homes.”
- “We paid more than that for our home.”
- “We just painted and added new carpet.”

“I need this much money for our next house.”
Although some of these comments may be true, they are not valid when deciding on the right price.

The Real Value of Your Home Is Based on Facts

A good REALTOR® will show you the facts regarding the saleable value of your home and other homes are selling in your neighborhood. These are called comparable sales and are available to every REALTOR in our area.

Don't select your agent based on the price they quote for your house. Remember, the agent you choose isn't *buying* your home; your agent is responsible for *selling* your home. Unfortunately, a homeowner will often select the agent who quotes the highest price. Sometimes, an agent who understands this concept will tell a seller an inflated price to get the listing.

The agent who is willing to list your house at the highest price is the least likely to get your home sold for top dollar. An agent who knowingly takes an overpriced listing usually plans to start “working on you” immediately to get a series of deep price cuts. The problem, besides your frustration and feelings of betrayal, is that all the other agents quickly decide your home is an “overpriced burden” and won't even consider showing it. You have to cut your price well below fair market value to get the other agents to think of it as a good value! The result is that your home takes longer to sell and *you get less money*.

The secret to getting the most money and the quickest sale with the fewest problems is to price your home properly. The facts are available and they are clear and convincing. The best way to select a REALTOR is to find the person with the best strategy for marketing your home.

The Pricing Target

