



*Thomas Ervin*

## **Let's Talk About Real Estate**

### **“THE ASKING PRICE”**

All too often, the asking price of a home is decided upon without good planning. In fact, the greatest mistake made in real estate is poor pricing. The asking price must accomplish three primary goals.

Let's examine these all-important goals:

#### **PRICING WITH THE COMPETITION**

In the final analysis, it is buyers who determine what your home is worth. How do buyers determine value? Buyers learn about value by inspecting and comparing various homes that are for sale during the same time period. This process of comparison is used when buyers decide which homes they want to see. If your home is not priced in accordance with similar homes, you will not realize as many showings as those homes that are competitively priced. When attempting to price your home with the market, don't rely on hearsay or rumor about recent selling prices. Get the facts by asking your Realtor® for a Competitive Market Analysis (CMA).

#### **PRICING TO NEGOTIATE**

Traditionally, in the home selling business, most buyers expect to negotiate. Everyone likes to think they got a “deal” In order to satisfy this need to negotiate, you should price your home so that you will be willing to accept somewhat less than the asking price. Although market conditions will certainly affect the amount of negotiating, most homes sell within 5% of the asking price. A poor market will make this percentage larger while a strong market may experience more full price offers and sometimes offers above the asking price.

#### **PRICING FOR THE HIGHEST RETURN**

Although pricing for the competition and for negotiation are important, the asking price must deliver the highest financial return for the seller in a reasonable period of time with the least inconvenience.

**SUGGESTION:** Like most other facets of our lives, properly pricing a home is best done by specialists who have all the necessary tools. Retain the services of a Realtor to sell your home.