



Thomas Ervin

Let's Talk About Real Estate

“THE MOST EXPENSIVE HOME IN THE NEIGHBORHOOD”

Homeownership provides you with a great sense of pride and satisfaction. Your home is a statement about yourself. It is also only human nature to compare your home with those of your friends and neighbors.

If your home is the most expensive home on the block, it may make you feel good, but you could have a problem when the time comes to sell. Surrounding homes of lesser value will have a tendency to lower the price you will get for your home. Most buyers decide upon an offering price that is based on the selling price of other homes in the immediate area. Because neighboring homes have been bringing prices below what you want for your home, a prudent buyer will be hesitant to invest in a price range above surrounding properties.

Some people buy the best home in an area because they are able to buy it at a lesser price than if it was located in an area of equally expensive homes. It seems to make sense when you are the buyer, but you will not realize the same inflation in value available to similar homes in better locations.

Many homeowners have the best house in the area because they have made costly improvements to their home over a period of time. These improvements might have been necessary to provide for the needs of a growing family. They may now, however, have to be considered over-improvements because they have priced your home out of the market.

If you are considering making improvements to your home, be sure to add up all the dollars you will have invested in your property by the time improvements are completed. After this analysis, will you be able to sell your home at a price that is typical for your area, or will you be the victim of an over-improvement?

Whether buying your next home or improving your existing home, don't allow yourself to have a larger financial investment than any of your neighbors. It could be a very costly mistake.

ADVICE: Don't make a buying decision of this magnitude without the assistance of a knowledgeable Realtor® who can provide you with the information you need.