

Setting Your Homes Price

Setting the price to sell a home is anything but an exact science. In fact, setting a price is very much subjective. If you are expecting a REALTOR® to open their computer and tell you exactly where a home should be priced to sell quickly, you are in for an unpleasant surprise. There is no such program or book — or human for that matter — that can give you the magic number to price your house. In order to give your home the best opportunity to sell, there are a few important things to consider about pricing.

Using comparable sold properties or “comps” in the area is the first important step to take when price-setting. There are some common mistakes sellers make when considering comps. The first mistake is using similar properties in the area that sold more than a year ago. The best comps are those that sold within the past year. The Rolla/St. James real estate market certainly has its peaks and valleys like any other market, but they are much more gradual, so a year is a wonderful starting point for the comps.

Another mistake sellers make when considering comps is that they look at active listings instead of properties that have sold. If you are using homes currently on the market as your sole point of reference, you are looking at things that have not sold. If your goal is to sell your home, you should look at things that have actually been successful. Just because a house is priced at a certain point is no indication that it will sell at all. One other local note is that in small communities like Rolla, and on a greater scale St. James, you must expand your search for comps beyond your street to a much larger area, because you are drawing your comps from a much smaller sample than in a large city.

Understanding your local real estate market is another important factor to consider when setting the price for your home. Asking your REALTOR® to provide you with an average number of days on market will help give you an idea how well homes are moving in a particular price range. The amount of time a home is for sale can fluctuate quite a bit in large markets. In a market like Rolla, you can look at a year’s worth of sales and get a good idea as to the condition of the market.

Within that year, expect sales to be busier during the late spring, early summer, early fall months, and to drop off around Thanksgiving and Christmas, during the winter, and the middle of the summer when families are on vacation. During the slower months, and when the real estate market is crawling along, price your home more aggressively because that is the first and best way to get your home noticed. The more warm bodies you get to come view your home, the greater the chance one of those people will be the buyer you are looking for.

Focusing on local comps and the local real estate market trends will make a tremendous difference when trying to set the asking price of your home. However, at the end of the day, no matter how diligently you work to come up with the most suitable price to market your home, there still needs to be a buyer out there. That is what makes selling real estate so unpredictable and yet so much fun.