INFORMING YOUR SELLING PRICE

Knowing your home...

BOSLEY REAL ESTATE

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1. UNDERSTAND THE REAL MARKET VALUE OF YOUR PROPERTY

No matter if one chooses to strategically price your home or price it according to the market value, the Seller must have an understanding of the true market value. This requires a comparative analysis of sales and terminated or stagnant listings. It also requires my intimate knowledge of these listings, which is the advantage of specializing in an area.

A Comparative Market Analysis, will take other recent sales and adjust them for a variety of variables, for example: lot width, condition, date sold, number of bedrooms and so on. This is research, product knowledge, expertise and experience.

2. DON'T OVERPRICE YOUR HOME

An overpriced home will have fewer showings, receive lower offers, and take longer to sell. Ultimately it only serves neighbouring houses that are selling for reasonable prices.

3. THE MARKET VALUE DOES NOT NECESSARILY VALUE WHAT YOU VALUE

I'm the first to admit that I like a house with good bones. I'd rather see an unfinished basement where I can identify the plumbing, drainage, sump, insulation, moisture, vapor barriers etc. But what do you think the market will value more, a nice unfinished basement, or a snazzy finished rec room, guest bedroom with en suite hiding poorly constructed unseen elements?

Or maybe it's your garden. My mother's garden was worth tens of thousands of dollars and maybe a million if you included her labour. But did the buyers care? Maybe they did, but we all have friends that would rather paving stones over high-maintenance gardens.

You cannot add up all the improvements to your home and expect to get a specific return. Nor can you adjust the price because the next home you buy will be more costly, or you are subject to a mortgage cancellation fee or you need to account for the land transfer tax on your next purchase.

Value is subjective and you cannot project your 'values' on Jane-buyer. You can only hope buyers appreciate your property – see #1

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4. YOUR HOME IS NOT THE ONE THAT SOLD NEXT DOOR

This is a tricky one. During the CMA conducted in #1, your neighbour's home will be used to help determine value of your home. Many of the contributing factors to price will be accounted for, and so too will be my personal observations of the staging, finishing, and timing. But what we may not know is the motivations and circumstances of the individual buyer in any given transaction.

I've experienced this from both ends. My seller was confident that her home was better than one next door that sold recently. And by all accounts she was correct. But the market had slowed marginally and the buyer of her neighbour's home was 'absorbed' by the market, leaving all the other buyers that weren't willing to compete with that price. What I determined was the buyer of the neighbouring property was panicked having lost 7 multiple offers, needing to get their family into a home soon and getting additional financing. This buyer was a market aberration. But they still set a new market price and presumably a new benchmark. My seller never did achieve the same price level and together with other local sales established new, more rational, market values for the area.

I've also had sellers that have been shocked by what the buyer was willing to pay. In fact, they received 4 or 5 offers at almost exactly what I predicted and then one that was so high they almost felt ashamed. Almost.

My advice is expect the unexpected and don't bank on anything too optimistic until your lawyer deposits the funds into your account.
Gads. I sound like my dad.

Sign up for my Newsletter to Know the Six Ways Not To Loose $ When You Sell.

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