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Dave Windsor's 'Alaska Real Estate'

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Pricing Your Home For Sale

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So how much should you ask when listing your home for sale? The value of anything is not a fixed number generated by statistics or a computer algorithm. Zestimates are fun but hardly definitive.

The value of your home is a matter of market forces, irrespective of your feelings or the opinions of experts. That is, the value of something for sale, on Craig's List or on MLS, is whatever someone is willing to pay for it.

Municipal Assessments are a lot more accurate now than they were 10 years ago, but that is not the current market price you list your home at. Municipal Assessment may be high or low, and more likely below current value than above in 2021.

Official appraisals you had done for refinancing a year ago may be interesting, but refinancing appraisals often lean on the 'generous' side, though not always, and represent a subjective opinion of a single person on a particular day, a person trained to calculate but not actually a person actively involved in the day to day practice of real estate.

A CMA (Comparative Market

Analysis) generated by your Realtor is soundly based on comparable sales in your area over the last few months but this is not the last word either. Price per square foot is a solid estimating tool when laying carpet or laminate, but not when selling your home. The sale price of a piece of real estate divided by the square footage of the living quarters alone does not include garage, lot size and many other details. This why price per square foot is flawed mathematics.

Ultimately, pricing your home is a judgment call. Your home is, in fact, not comparable to any other home except in a vague and general sense. Your home is unique. Its location is unique. Its neighborhood is unique. Its features are unique. Its ambience is unique. Do you know any other home on the planet, or in the universe for that matter, exactly like yours?

In partnership with your Realtor you need to wrestle with your listing price. If the price is too high, it will hurt you in the final sales price agreed down the track. If it's too low, you blew an opportunity.

The other major consideration must be current market conditions. This is why I give more weight to a 'Competitive Market Analysis' (based on active listings)

rather than a "Comparative Market Analysis" (based on sold properties). If demand from buyers is high, as it is right now, you need to err on the high side when picking list price, but avoid being too greedy.

I have sat on some Boards of Directors in my life and noticed that unrestrained argument sometimes produced the best decisions, with everyone in the room not being afraid to express their opinion. Sit with your Realtor (or Facetime) and try to calmly move fear, greed and emotion to the side. Do you want to sell? Seek wise counsel and get on with it. The marketplace will soon tell you how well you priced your home.

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