



Pricing Real Estate Listings Is Tricky

Determining the price at which to go on the market is a tricky puzzle. Over my real estate career I have learned that a mere computer model based on comparables is not enough to make that judgement.

The point is that, irrespective of the MOA assessment, or even an independent appraisal, the price that a home can fetch is as individual as the selection of a partner to marry. The guy (or girl) you loved may have shown up on match.com but I would venture to say your partner just appeared one day and you knew that they were the one!

All real estate properties are utterly individual with wrinkles and personalities that vary. Location and ambience have more impact on market value than size or facilities.

When determining the list price of a property, a real estate professional does need to study data and form a judgement of the price range that you can obtain from an

offer, and a range you can reasonably expect to be financeable by a lender.

However, beyond that range, to zoom in on a specific list price your licensee must have a sense of how the market will feel about your home when coming by to view. As part of that process there are some things you can change and some you cannot.

Your licensee should counsel you on tweaking the presentation of your home (sometimes called 'staging') and even some upgrade investments you can make provided that they are to your advantage in the net proceeds of the sale.

I also strongly recommend that, even though it is traditional in Alaska for the seller to pay the Appraisal fee required by the Lender (\$700-\$800), you should at minimum require the buyer to front those funds and reimburse them at closing, since you have no control over the appraiser's subjective calculations. You might even ask the buyer to

pay for it without reimbursement.

Value is not a mathematical assessment. Your home is worth whatever a buyer will pay. Don't forget this. Homeowners also have an opinion of their home's value but that also can be over - inflated at times. Your Realtor's counsel is to be respected provided they are experienced and not stuck in a programmed model of valuing real estate.

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