



The True Value of Your Home

I have a copy of Williams James' classic book "The Meaning of Truth" in my library at home. William James is perhaps America's most profound philosopher and talks about how one's point of view and one's experience determine what one considers to be "True".

In this age when truth is in jeopardy of severe decay and potential extinction I, for one, will fight for its preservation as a value worth keeping. Even 'facts' can become a vehicle of untruth as demonstrated in the front page article of this publication dated 1st November 2019 concerning Alaska's unemployment data. I too have previously debated the economic 'truth' of statistics with the fine folk at the Alaska Department of Labor and Workforce Development.

Another example of complex issues where apparent facts can mislead the public is the well published FED Rate decisions. Last week the FED reduced rates on all news channels by 0.25%. I would guess that 90% of homebuyers think this means home loan interest rates will go down, but the truth is that home loan interest rates are not related to the FED designated rate but rather to Bond Yields. In fact, home loan rates can often run counter to the FED rate.

Numbers are often used to deliberately distort truth for the benefit of those floating them over, and our own real estate industry is not immune to this temptation. Every office in town and most Realtors individually want to be seen as 'Number 1' by the consuming public. 'Number One' is a phrase easily manipulated by a selective quote of numbers just like unemployment statistics.

The value of your home is another example of a number, important to you, that is easily miscalculated depending on your Realtor's approach to truth. The value of your home is not equivalent to the Municipal Assessment. The value of your home is not a price per square foot. The value of your home is not generated by Zillow. (At least they are honest enough to call it a Zestimate!).

The value of your home is not the algorithmic conclusion of a computer generated CMA (Comparative Market Analysis) supported by attractive graphics, photographs and charts.

The value of your home is whatever it will fetch in the marketplace. That is, your home is worth as much as a buyer is willing to pay at any given time.

An Appraiser may be assigned by a Lender to determine value on your sale to protect the lender's invest-

ment but even that is a subjective data interpretation by an individual trained to play with numbers in a certain way. To determine a price at which your home should go on the market, your real estate professional should be aware of all the aforementioned numbers but, using experience of the marketplace as it is right at this moment, make a recommendation that reflects the unique character of your individual home.

In your pursuit of truth, think about these things - and be sure to ask questions of your chosen real estate representative. After all, it's your life, your home, and you want the best outcome for you and your family.

Dave
Wilson

