



How to Price a Home to Sell, not Own

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Piecing Together The Home Sale Pricing Puzzle

Most sellers have an emotional connection to their home and feel it deserves top dollar when sold. Everyone naturally wants to get the most money for his or her product, but “sellers must not be hasty with this “all-important decision,” cautions real estate expert Robert Jenson, CEO of luxury Las Vegas real estate purveyor The Jenson Group of RE/MAX CENTRAL.

“The most common mistake that causes sellers to get less than they hope for is listing the sale price too high. Overpriced properties languish on the market, and most end up selling at a lower price than would have been realized had it been priced properly in the first place.”

To help would-be sellers foster maximum profits with their real estate transaction, Jenson offers this advice for establishing a fair, competitive and marketable sale price for a home:

- Square footage: Total square footage is an important consideration when establishing a home’s sale price, but this is usually just a starting point for buyers who will use it to narrow down the field, but make an actual purchase decision based on many other factors.
- Location within community: Quiet cul-de sacs, golf or water frontage, lots that offer privacy are value adds that can justify a higher sale price over other homes in a community — or be leveraged as an advantage against competing listings.

- Views ... or lack thereof: Whether it is the ocean, a downtown skyline, the mountains, water or some other desirable landscape, buyers are willing to pay a premium for views and a home should be priced accordingly. Just be realistic — views that can only be seen from the second story bathroom window don't count.
- Upgrades and features: For a home to sell quickly and for the price desired, it must be "finished" with as many structural and interior design upgrades as possible. Any functional or beautification enhancement to a home are key considerations in establishing a home's true value and strategic sale price.
- Community amenities: Guard-gated communities or those with amenities such as a clubhouse, swimming pool or fitness center are elements that raise a home's price per square foot. When pricing a home without these benefits, know whether you are competing against other homes that do offer such value adds so that you can price your home as aggressively and competitively as possible.
- Comparable sales: Don't price your home based on price per square footage of other home sales in your community 3 or more months ago, as these don't offer a realistic portrayal of current market conditions. Focus on prices of active listings to hone a competitive pricing strategy.
- Professional appraisal: Want to sell the home quickly? Price it at or below the appraised value as buyers are educated, are shopping deals, and will recognize your fair price and be more apt to pay it with less haggling.
- Current mortgage conditions: Lenders now require higher credit scores and higher down payments, which can cash strap buyers holding out for the best deal possible. Savvy sellers will understand the mortgage industry's impact on the buyer and will price accordingly.