

## *Determining the Value of Your Home*

A Comparative Market Analysis (CMA) is essential to determine the value of residential property. Location and characteristics of the property are the key elements in determining value. Therefore, the basis for valuation is similar properties in your area. The market analysis takes into account the amount received from recent sales of comparable properties and the quantity and quality of comparable properties currently on the market. The desired end result is to find a price that will attract a willing and able buyer in a reasonable time.



Once the value of your property has been determined, you can decide on an offering price that will achieve your goals. Generally, the price should not exceed the value by more than 5% or potential buyers may not even make offers. Naturally, if you want to sell quickly your asking price should be very near the value.

The following are a few things to keep in mind about pricing:

- ◆ Realistic pricing will achieve maximum price in a reasonable amount of time.
- ◆ Your profit desire is not a component of value; the market determines the price.
- ◆ The cost of improvements are almost always more than the added value.
- ◆ Houses that remain on the market for a long time become less desirable.
- ◆ A house that is priced right from the beginning achieves the highest proceeds.



**Patrick Gillen**  
*Office:* 413 323 7295  
*Office Fax:* 413 323 4549  
*Home Office:* 413 253 5586  
*Cellular:* 413 522 1339  
*Email:* patgillen@charter.net

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