

DETERMINING THE ASKING PRICE OF YOUR HOME

The most important aspect of selling a home is determining the correct asking price. A homeowner doesn't want to miss a buyer by overpricing their property and he certainly doesn't want to leave money on the table by pricing a property too low.

The most widely used process to determine a price is with a market analysis. This process is based on comparing a subject property to a similar property that has recently sold. Credits are either added or taken away based on a comparable property having or not having certain features as the subject property. Such as a credit for an extra bathroom, fireplace or screen porch. A credit or debit is also applied based on the exterior finish of a home; i.e., stucco, vinyl, brick, or hardy plank.

The average price per square foot based on your comparable sales and your calculations based on varying features, should give you your asking price. Nothing to it – sounds easy, right? Not hardly! Maybe in a perfect world or should I say a perfect neighborhood. Sure in a neighborhood where lot sizes, home styles, features, and square footages are very similar, this process is not very difficult. In contrast, how about pricing a unique home on a large tract of land, or even more difficult – a home on Lake Murray.

Pricing a home on Lake Murray can be the ultimate challenge. You may have a 10,000 square foot home next to an 800 square foot concrete block weekender. It could be in a cove or on a point, a five mile view to the damn or across a fifty foot cove. Is it dock approved, is there a vegetative set-back, water and sewer or well and septic? Many years ago, I was told that you could base the price of a lake lot on a thousand dollars per each foot of shoreline. Who wouldn't prefer a 200 foot deep water point over 300 feet of seasonal water in a shallow cove? This approach simply didn't make sense.

More often than not, you will find a lake home without any recent comparable sales, or you will need to go across the lake to another county, which is of little real value. Consequently, the pricing of a home on Lake Murray will require the assistance of an experienced, knowledgeable real estate agent or the investment in a residential appraisal.

Pricing strategies certainly vary, especially in a sluggish market, but I still advise sellers to leave a little room for negotiations. Remember, you can always come down, but you can't go back up. A realistic price is essential. Don't be greedy, get it sold.

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