

Seven Mistakes to Avoid When Pricing Your Home

Sellers often make a major mistake when deciding how much their home should sell for. Instead of thinking about what their home would really be worth in the current marketplace, they focus on what their property is worth to them. These emotions can lead to pricing your home out of buyers' reach and interest, leading to a longer time on the market.

Consider the correct, objective factors when determining your house's value to determine an asking price in line with what the market will bear. Your San Antonio area REALTOR® can help you settle on the right asking price by providing comparable sales figures for your market. Your agent also will give you a good idea of what buyers are looking for in your area.

As you consider price, here are seven considerations you shouldn't make.

The amount you purchased it for. Unless you bought your home a month ago, your sales price has no bearing on what a buyer should pay. Even if you did buy your home a month ago, the purchase price may not reflect proper pricing for today. The real estate market changes constantly.

How much you spent on repairs. Did you spend thousands to replace your roof? That's a smart move that will certainly attract buyers, but you shouldn't necessarily factor your cost for new shingles into your asking price. A safe and sturdy roof on a home is usually an expectation, not an enhancement that should increase the price.

How much you spent on improvements. Building a new deck, adding a bathroom, or remodeling your kitchen can increase your property's value, but don't count on getting a dollar-for-dollar return on your investment.

What a home just like yours sold for in a different location. The same size home in one neighborhood could cost much more—or less—in another one. There are many factors that go into a home's value that can't be compared across the state, city, or even nearby neighborhoods.

What a home just like yours in your neighborhood sold for 18 months ago. Real estate markets change constantly. It's useful to know the sales price of a similar house that sold in your area some time ago, but take it in the context of what's going on today. A seller's market that created bidding wars three years ago could now be a solid buyer's market. You'll need to set your expectations and price accordingly.

How much you need to purchase your next home. Whether you're well off or broke, your home is worth the same. Whether you're moving up or downsizing, your home is worth the same. Whether you've paid off your mortgage or still owe most of the balance of the loan, your home is worth the same. Your financial situation isn't relevant to a buyer.

What the Web says your home is worth. Web sites that estimate your property's value offer a good starting point when you're trying to decide on an asking price. However, most home-valuation websites will tell you that their information is just a starting point and no substitute for specific market knowledge in the area.

So, what does matter when pricing your home? Among other things, the condition of your home, the location, and the prices of comparable properties selling in the area all affect what you can ask for your property.

When you price your home correctly, you'll find that your home will probably sell more quickly. The best way to determine what to ask for your house is to get as much information as you can and sit down with a San Antonio area REALTOR® to help you arrive at an accurate valuation.