I Love Wellfleet

A NEWSLETTER PROVIDING USEFUL NEWS AND INFORMATION TO THOSE WHO LIVE IN OR LOVE THE TOWN OF WELLFLEET, MA - ISSUE #4

7 Ways Realtors® Determine the Value of Your Home

When determining value, many people factor in how much they paid for their home, how much they spent upgrading it, what the town's assessor says it is worth, how much websites say it is worth with their inaccurate algorithms, how much their neighbor sold their house for, and the amount of money they need or want to make from the sale. ***But none of these things matter!*** The only thing relevant is the current market value of your home, i.e., how much a buyer is likely to pay for it. Here are 7 factors Realtors® like yours truly take into account when pricing a home:

1) Solds – *The* most important factor is what similar homes have sold for recently. Comparable homes (AKA comps) will have a similar number of bedrooms and bathrooms, square footage, acreage, style, view, proximity to water, proximity to town, garage, and type of water, sewer, heat, and cooling. The weighting of these factors is something your Realtor® will help you determine.

2) Actives and Pendings – Actives are properties looking to be sold and pendings are properties where an offer was made and accepted by the seller, but the closing has not yet taken place. Buyers looking for a house like yours will undoubtedly be viewing other similar properties in the area. Pricing below the competition will increase the probability of a quick sale, while pricing above the actives and pendings will make it more difficult to sell quickly.

3) Expireds and Withdrawns – Expireds are properties where the relationship with the Realtor® (typically 6 months) has ended without the home selling. Often, this is because the house was overpriced. This information should be taken into account when pricing your home. Withdrawns are properties sellers have taken off the market for one reason or another.

4) Market Trends – In addition to "comps," other factors also enter into the pricing of your home. Economic factors such as interest rates and the current state of the economy should be taken into account. Also important is whether it is currently a buyer's or seller's market. A "buyer's market" is when there are a large number of homes for sale (i.e., high inventory) and a "seller's market" is when the inventory is low. Homes, of course, can often be priced higher during a seller's market.

5) Time of the Year – The housing market here in Wellfleet is very seasonal. Inventory is much higher in the Spring and Summer than in the Fall and Winter. Also, there are far few buyers off-season. If one wants to sell quickly in the Fall and Winter, a lower price is in order. On the other hand, since inventory will be low, that might be to the seller's advantage.

6) Location – You know what they say, "location, location, location." In addition to the comps, some of the location issues relevant in pricing your home here in Wellfleet are distance to water, erosion issues, and access. For example, on Lieutenants Island the tidal chart needs to be your best friend and many ask about the distance from Route 6 as well as access to a traffic light so that difficult left turns can be avoided.

7) Condition and Appearance – Other important considerations affecting the pricing of your home are its condition and appearance. For example, what is the condition of the landscaping, roof, siding, chimney, doors, windows, floors, walls, carpeting, kitchen, and bathrooms? Also, how well will it show to potential buyers? Is there clutter everywhere? Are there any offensive odors? Does your old furniture make the house look crowded? Do you have family photos hanging everywhere?

I will take all these factors into consideration when pricing your home. Priced correctly, your home will sell quickly at, above, or near your asking price.

Bruce Katcher, Realtor®
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