

# 4 Characteristics Of Value Every Seller Should Remember

## 1. Demand

Demand is in the eye of the beholder. It varies from person to person. The demand for a particular piece of real estate changes as the wants of each individual change.

## 2. Utility

In order for real estate to have value it must have usefulness or utility. Usefulness creates a desire for possession and has the power to give satisfaction. Will the typical buyer in the marketplace have their needs met by purchasing your home?

## 3. Scarcity

In order for real estate to be of value it must be relatively scarce. If too many houses like yours are for sale, it will negatively impact the value of your home.

## 4. Purchasing Power

Purchasing power is created by desire. Can the buyer who desires the property afford the property? The more people that can afford the property, the better.



## **5 Reasons Why Pricing Your Home Correctly In The Beginning Is So-o-o-o Important**

- 1.** Your home is most likely to sell for top dollar when it's fresh to the market.
- 2.** Buyers buy after they shop around. Buyers are in search of the best buy. If your home is priced too high, it will make the other homes look more attractive.
- 3.** Your property will need to be appraised. If it appraises below the contract price you may have a problem.
- 4.** Other than possibly location, price is the most critical item that both buyers and real estate agents look to when selecting homes to view.
- 5.** Negotiations
  - ✓ If priced too high, it's possible that no one will seriously consider or see the benefit of starting the negotiations.
  - ✓ The more accurately priced the property is, the less likely the buyer is to start the negotiations with a "low ball" offer or even see the need to negotiate.



# 7 Things Every Consumer Needs To Know About A Real Estate Appraisal

- 1. It is an objective opinion of value. It is not an exact science. If three appraisers appraised the same property, they might assign three different estimates of value.
- 2. Most sellers, buyers and lenders want an appraisal that reflects the market value rather than the insured value, assessed value, sentimental value or other types of value.
- 3. An appraiser's estimate of value typically reflects the current market conditions in the subject property's marketplace. This can change dramatically if market conditions shift.
- 4. The appraiser's estimate of value reflects the most probable price the property will sell for without special considerations or circumstances.
- 5. The best indicator of market value for residential property is found by applying the sales comparison approach.
- 6. Most lenders base a buyer's loan amount on either the sales price or the appraised value of the property; whichever is less.
- 7. Many homebuyers today are writing their offers to purchase subject to the property appraising at or above the sales contract price.



# **8 Different Kinds Of Value And The One That Most People Care About...**

- 1. Assessed Value
- 2. Insurance Value
- 3. Salvage Value
- 4. Use Value
- 5. Replacement Value
- 6. Reproduction Value
- 7. Sentimental Value (Homeowner's Value)
- 8. Market Value\*

\*Market Value is the type of value most often pursued in the typical residential real estate transaction.



# **17 Things That Every Appraiser Considers When Comparing Your Property To Other Properties In The Marketplace**

- 1. The market conditions on the date of sale
- 2. Location, location, location
- 3. The site/view both looking at the property and looking from the property out
- 4. The design and appeal of the dwelling
- 5. The quality of construction
- 6. Age of property
- 7. Condition of property
- 8. Total number of rooms
- 9. Number and types of rooms (bedrooms, bathrooms, etc)
- 10. Square footage (gross livable area)
- 11. Is there a basement?
- 12. Is basement finished? If so, number and types of rooms
- 13. How functional is the property? (good, average, fair, poor)
- 14. Is there central air conditioning?
- 15. What type of car storage is available? (garage, carport, etc.)
- 16. Are there any special features that your property offers? (porches, patios, pool, fireplace, special heating/cooling equipment, skylights, etc.)
- 17. Were there any special financing or special sales considerations that might have impacted value for the comparable properties?





# Updated "X-Rays" Concerning The Value Of Your Home

## A Simple Feedback System To Help You Reach Your Goals

Feedback from the activity in the marketplace is extremely important. By evaluating the current competition and recent sales, you will gain information to assist in making decisions regarding the current pricing of your home. Most activity will take place in the first 3-4 weeks. After the initial period, the activity may slow down until new buyers arrive in the marketplace.

During this period of time your property was shown or previewed \_\_\_\_\_ times.

Reporting  
Period: \_\_\_\_\_ to \_\_\_\_\_

Comments from agents and clients:

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### **NEW** Competition:

Address	Price
Address	Price
Address	Price

### **NEW** Recent Sales:

Address	Price
Address	Price
Address	Price

### **NEW** Properties Pending, Recent properties that have gone under contract:

Address	Price
Address	Price
Address	Price

### **NEW** Expired Listings...homes that failed to sell due to price:

Address	Price
Address	Price
Address	Price



## **6 Essential Elements That Most Real Estate Contracts Must Have To Be Valid And Enforceable**

- 1. Competent parties—must be at least 2 parties to any contract
- 2. Names and signatures of all parties to the contract
- 3. Consideration—such as a promise to pay money
- 4. Must be in writing—except for leases of one year or less
- 5. Address of property
- 6. Meeting of the minds—an unqualified acceptance of the offer so that the seller clearly understands the terms of the buyer's offer and the buyer clearly understands the performance required and the timing of the obligations

\*In most instances, the parties involved in a real estate transaction would be best advised to seek the services of an experienced real estate attorney to review an agreement to purchase.



# Have I REALLY Sold My House?

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