

# How Does My Home Compare to Others on the Market?

*by Phoebe Chongchua*

Real estate agents use comparable sales or "comps" (properties recently sold in the area) to see what the market bears for a listing price or value range marketing.

But what makes a home a good comp? A few things must line up in order for the agent to utilize the comp to justify your listing price. The same neighborhood, school district, similar street and, of course, similar housing features and size. If these things align, then a comp can be used to provide a current estimated value of your home.

Ideally, using a comp from a home that is the same model in the same subdivision is key. Even better is if a sold comp closed escrow very recently. Taking comps from many weeks or months before can weaken the comp.

The expertise of a highly knowledgeable real estate agent can save you many hours of research and headaches. Most people don't really know how to compare real estate properties, which is why they hire an agent. Good agents take the work out of selling your home and give you solid reason to understand why the agent is pricing the home at a particular price.

Location, upgrades, amenities, sale date, extras, foreclosures, short sales, and unique nuances of the home all affect the listing price and how your home is compared to a comp.

Taking a closer look at each of these shows exactly what people in your area might be looking for when it comes to buying a home. For instance, a higher price on a home that has a pool can indicate that this is a family neighborhood and buyers put an increased value on amenities that create family/social fun. Your home may not have a pool but it might have another type of amenity: tennis courts, gym, or putting green.

Agents look at both what is similar and what makes your home stand out. They search for the best characteristics to showcase and, when comparing your home to others that have sold, they look to see how yours stacks up from a buyer's perspective.

Agents can add value to a home that might not have, say, for instance, the pool. Instead, your home might have an extra bedroom or den complete with floor-to-ceiling, high-quality bookcases.

Reviewing the comps can provide a lot of insight about sales in your neighborhood. Physically viewing the properties can be even more eye-opening. Agents who routinely work in the neighborhood may have an excellent grasp of which homes will sell fastest. It's not a lucky guess.

They've been inside these homes and have seen the notable upgrades or the tragic flaws of a home. They also know which homes were foreclosures or short sales. Generally, a foreclosed home is in poor condition. However, a short sale can be in much better condition. Both of these sales are at discounted rates. So, if a comp is used from one of these types of sales, your agent

will take careful consideration to evaluate the distinct differences that may increase the value and, ultimately, the listing price on your home.

---

Copyright © 2012 Realty Times. All Rights Reserved.