

How to price a home -- and sell it now

Asking the right price for your home will determine whether you sell it today -- or watch it sit on the market for month after endless month.

A brutal buyers' market has turned the usual rules upside down.

The median price for all types of single-family homes sold across the country fell 1.8% in 2007 -- the first annual decline since the National Association of Realtors began keeping records in 1968.

More than a dozen cities, including Los Angeles, Tampa and Sacramento, saw prices drop more than 10%. (Click here for our latest look at how [home prices are now falling in most cities.](#))

With a glut of homes on the market, potential buyers simply won't waste their time and \$3-per-gallon gas to look at an over-priced house.

Research also shows you'll get more for your home if you price it right the first time, rather than overshooting the market and having to reduce the price when it fails to sell.

Here are four smart moves to determine the right price, right now.

Smart move 1. Hire a real estate agent -- and listen to him or her.

A market like this is no time to try to sell your house on your own.

You need an agent who has sold lots of homes in your neighborhood, knows all about the homes you're competing against, and will be brutally honest about what your home will fetch.

Real estate agents have every reason to get the highest possible price in a reasonable length of time. Their commission is based on the selling price, and they don't get paid until the sale closes.

Smart move 2. Use comps wisely.

During the real estate boom, real estate agents typically told buyers to look at what comparable homes sold for over the previous three to six months, add 5% to 10% to the best deal, and stick a sign in the yard.

That is not what they're going to tell you today.

"With prices dropping, look at comparable sales during the past 3 months--no earlier" recommends PowerRealty agent Kathy Gregory of Whitehall, Penn. "And then, pick a price at or below the most recent sale."

Although you factor in the pluses and minuses of your house over similar listings, "You don't want to have the most expensive listing on the block," Gregory says.

If you can't find comparable sales nearby, expand your search, for example, within the same school district or county. For a larger area, look for houses that are as similar as possible to yours: same style (ranch, colonial, Cape Cod), square footage and amenities.

Don't put any stock in the values on Web sites like Zillow.com. They're fun. But the appraisals on those sites are not accurate or up-to-date enough to use for something this serious.

*Smart move 3. **Make your house better than the competition.***

With so many homes to choose from, buyers don't have to settle for a fixer-upper to get a great price.

In neighborhood after neighborhood, it's the well-maintained, tastefully decorated homes that are selling.

Your real estate agent can give you advice on the cosmetic improvements you need to make.

Painting over the Denver Broncos colors in your guest bathroom, replacing the worn rug in the master bedroom, or removing some excess furniture in the family room can all help your home make a better impression.

But you've lived in your house, so you know what most of the more serious problems are. Think about what you would fix or replace if you were staying put for a few more years -- and do the work.

If the house needs a new furnace, potential buyers will probably find that out. And they don't have to hassle with replacing it. Or the old air conditioner. Or the leaky, fogged-over patio door.

They'll just go down the street where another house has a new (or at least newer) furnace. Or air conditioner. Or patio door.

Now break all of the rules and pay a home inspector about \$400 to provide potential buyers with a report that reflects all the work you've done and shows there will be no surprises if they buy your home.

That will give you a big leg up on the home down the street.

If home maintenance is not your strong suit, use the initial inspection report to identify things you need to fix. Have the inspector come back after the work is done to update the report.

Smart move 4. Be ready to reevaluate your price.

The market is changing very quickly and if your home doesn't attract at least a few potential buyers within the first few weeks, reconsider your asking price.

Make sure your agent contacts every agent that shows your home to see what their clients thought about the condition and price of your property.

They can call, or use a Web site such as HomeFeedback.com, which sends an electronic survey on your behalf. One of the questions is whether the house is priced at or above market value.

If most showing agents say it is, that's a strong indication that you need to ask a little less.

With so many homes for sale, there's no guarantee that your house will be snapped up, no matter how well you price it. But following these rules will give you the best chance for success.

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