NATIONAL ASSOCIATION OF REALTORS®

CONSUMER GUIDE: WHAT GOES INTO PRICING YOUR HOME

As a home seller, one of the most important questions to ask your agent is how to determine your home's listing, or asking, price. Here is what sellers should know about home pricing:

What characteristics of my home will my agent evaluate? Agents will consider many factors when determining their recommended listing price, including, but not limited to, your home's size, location, amenities, and property condition.

How does the market affect home pricing? In addition to the specific characteristics of your home, current market conditions can have a significant impact on your ultimate asking price. For example, in a market where high interest rates are discouraging prospective home buyers, your agent may recommend lowering the asking price to attract more buyers. Neighborhood developments and trending buyer preferences will also help your agent fine-tune their pricing strategy.

What are "comps"? Comparable sales, or comps, are similar properties that have recently sold in the same area and are used to create a comparative market analysis (CMA). A CMA is an estimate of a property's value based on comps in the market area that have recently sold, are under contract, or are currently active. This research will help your agent determine your home's suggested listing price.

What if I want to sell my home as quickly as possible? Your agent will factor your goals and timeline into their listing price recommendation. If you want to sell quickly you may price your home more competitively, while sellers who have more time may set a higher asking price.

Are there any actions I can take to increase my home value? In addition to evaluating the condition of your property, your agent will consider any upgrades or renovations that may increase its value, as well as any issues or repairs that may need to be addressed before listing. You can work with your agent as you prepare to sell your home to decide how best to maximize your home's value through these potential actions. You may also consider offering certain concessions to help attract buyers, such as covering the cost of home repairs.

Can I ask multiple agents how they would price my home before deciding who to work with? Yes. While you may receive similar recommendations from different agents, an agent's familiarity with your property's market may affect their suggested listing price. You can meet with multiple agents before choosing your preferred agent and signing a listing agreement, which includes the established listing price for your home.

Do I have the final say on my asking price? Yes. Your agent will work with you to recommend a listing price that best meets your goals, but you have the final say. However, a key benefit of working with agents who are REALTORS® is leveraging their expertise and knowledge of useful tools, such as the REALTORS® Property Resource, to help inform these decisions.

Is it ever a good idea to accept an offer below my listing price? Your agent will help you evaluate offers. Sometimes the highest offer is not the best offer—cash offers, for example, can speed up the sale process. Contingencies, or the absence of, can also have an impact on the strength of an offer.

Why might my agent recommend lowering my listing price? While the decision to lower the asking price will depend on your specific goals, your agent may recommend considering a lower ask for a variety of reasons, including factors that are dependent on the current market conditions.

Practices may vary based on state and local law. Consult your real estate professional and/or an attorney for details about state law where you are purchasing a home. Please visit facts.realtor for more information and resources.