



## Pricing Your Home

### Prudential Value Range Marketing<sup>SM</sup> Approach

PVRM<sup>SM</sup> is an alternative approach to home pricing. By marketing a home within a price range, PVRM<sup>SM</sup> addresses the concern of over- or under-pricing your home. This approach attracts a wider pool of buyers and invites more offers than a fixed price. At the same time, it allows the seller to control the sales price.

PVRM<sup>SM</sup> mirrors the natural buying and selling process and can reduce the number of days a home is on the market. Contact a sales professional in your area to [learn more](#). (PVRM<sup>SM</sup> may not be offered by all franchisees.)

- [Fair Market Value](#)
- [Determining Property Value](#)

### Fair Market Value

The basic laws of supply and demand greatly impact what a buyer is willing to pay for property and the amount financial institutions or lenders are willing to finance.

Fair market value is defined as the likely price a ready, willing, and able buyer is willing to pay for a property when:

- The property is offered for sale on the open market.
- The property is marketed for a reasonable period of time.
- The buyer has a complete understanding and knowledge of the property.
- Neither the buyer nor seller is under abnormal pressure.

### Determining Property Value

**The Market**—The market approach is based on the premise that a prudent person will pay no more for a property than it would cost to purchase a comparable substitute.

**Competitive Listing and Sale Prices**—To form an opinion of value, a Prudential Highland Properties Sales Professional will analyze current listings and sale prices of similar homes in your area. He or she will consider properties that have recently sold, are currently for sale, or were offered for sale but did not sell. Although none of these properties is identical to yours, only those that have a high degree of similarity are noted in this report.

**Comparative Evaluation**—A Prudential Highland Properties Sales Professional can prepare a detailed description of your property and an estimate of the selling price range in today's market. This is known as the comparative or competitive market value of property.

**Staying Current with Market Value**—Once your property has been listed, a Prudential Highland Properties Sales Professional will continually collect and review updated information to monitor the offering price. Our observations may include:

## Prudential Highland Properties: Pricing Your Home

- Professional opinions
- Industry (broker) response
- Buyer reaction
- Current market conditions
- Competing properties
- Availability of financing
- Number of showings
- Length of time on the market
- Interest rates
- Condition of the property
- Seller motivation

### Factors that Do Not Affect a Property's Value

- What the owners paid when they built or bought the property
- Some of the improvements and upgrades the owners have made to the property
- The cash proceeds the owners want or need from the transaction
- What friends, neighbors, or relatives say a property is worth

### Factors that Do Affect a Property's Value

- Style, condition, age, decor
- Location
- Time of year
- Property and neighborhood
- How quickly seller needs to sell

### Competitive Pricing: The Pricing of Choice

The probability of receiving an acceptable offer on your property and completing a sale diminishes significantly when your asking price is higher than the current market value.

Here are the factors that will determine price range:

- Your property - its strongest selling points
- The competition - the asking prices of other homes for sale in your area
- The expired listings - homes offered for sale that did not sell



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