

What is the difference between list price, sales price, appraised value, market value, and assessed value?

List Price is the seller's advertised price, a figure that usually is only a rough estimate of what the seller wants to get. Sellers can price high, low, or close to what they hope to get. To judge whether the list price is a fair one, be sure to consult comparable sales prices in the area.

Sales price (Purchase Price, Contract Price) is the amount of money agreed to between the buyer and seller on the purchase contract.

Appraised value is a certified appraiser's estimate of the worth (market value) of a property, and is based on comparable sales, the condition of the property and numerous other factors. Lenders require appraisals as part of the loan application process; fees range from \$250 to \$500.

Market value (sometimes called fair-market value) is the selling price your house will command at a given point in time usually determined by a comparative market analysis (CMA). The CMA is an informal estimate of market value, based on sales of comparable properties, performed by a real estate agent or broker for the purpose of marketing your home. and will usually be described as a selling range. This estimate of value may also take into account how quickly you need to sell your home.

The actual market value of your home will be the ultimate, agreed upon sales price as negotiated between you and the buyer. Although this agreed upon price carries a great deal of influence with an appraiser, the appraised value, in some circumstances, may still be pegged lower (or occasionally higher) because the appraiser is hired to estimate the price the average buyer would typically pay for your home. Remember, the appraiser is usually working for a lender who must resell the home if the buyer defaults. His job is to find the highest and best value. The REALTOR's job is find the 'most likely' value.

Assessed value is the value a governing body (in Ohio, it's usually the office of the county auditor) will place on your real property to determine the amount of property tax you pay. The assessed value usually has two components — the improvement or building value, and the land or site value. Although the assessed value may be an indicator of relative market value (as when comparing the assessed values of similar properties), actual fair-market value may be considerably higher or lower than the assessed value at any given point in time.

Either an appraisal or a Comparative Market Analysis (CMA). is the most accurate way to determine what your home is worth.

What is a Comparative Market Analysis (CMA)?

An informal assessment of a property's market value, usually done to establish a reasonable listing price when a property is placed for sale. The price is established by comparing the property to similar properties that have sold in the area within the past year. It is used by both buyers and sellers.

The analysis is normally done by a real estate agent who has easy access to area sales records. Although it's more time-consuming, sellers in the US can find the same information by visiting their county courthouse.

Contact us for a complimentary CMA and free consultation to learn more about proper pricing and the beneficial impact it will have on selling your home.

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