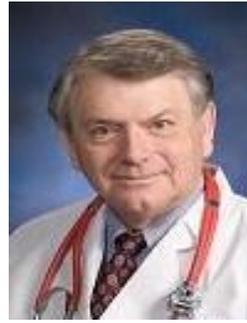


EarlNotes:

From: Alabama's Real Estate Doctor



Price, Value and Negotiating to Win

Dear RE Doctor: I am thinking about selling my home. We have lived there for seven years and have spent a lot of money fixing it up. How do I decide how much to ask for it and are there any tips you can give me regarding negotiating strategies?

You have to first understand that the **price** you paid to buy the home and the **additional money** you paid to improve it over the years may not have any effect on its **value** today.

Price and value are different. Price is what you would like to receive. Price is also what a prospective buyer wants to pay. They are seldom the same number.

Value is the amount that you agree to accept and that a buyer agrees to pay, after an arms-length negotiation, where neither of you is under pressure, you are not related, and the property has been exposed to the market for a reasonable period of time.

Sure, you can try to sell it “**by owner**” and you may be successful at it. But in this economic climate, most people really need professional assistance in pricing and negotiating the sale of their property.

This may involve listing the property with a licensed real estate agent who belongs to a local multiple listings service or has extensive files where recent sales data on properties that are **comparable** in size, features and location to your property can be obtained.

With regard to negotiation strategies I have two questions for you. **How important is it that you get a certain dollar amount? And how long do you want to wait to sell?**

There are two basic approaches in negotiating – a **Win/Lose Strategy** and a **Win/Win Strategy**.

Win/Lose means setting a high asking price, and expecting to reduce the price through negotiation. The problem is you may be waiting a long, long time for that first offer, and if and when it does come, you will probably be disappointed. The offer will probably be much lower than you expected.

Win/Win means starting with a reasonable asking price that is closer to the current market norm. This means you are likely to receive an offer sooner rather than later. Plus it will probably be closer to what you can accept and the selling process will be much more pleasant.

You can still negotiate details but by applying a Win/Win strategy you will probably find yourself at the closing table sooner rather than later, receiving a check and feeling good!

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If you have any concerns regarding your real property
Contact Earl L. Martin, Jr. at www.earlnotes.com