

SOUND OFF *Jean O'Neill*

How to establish a home's value without comparable sales?



When asked to come up with a market value on a home where comparable sales are unavailable, because of the uniqueness of the property or if there haven't been any nearby similar sales — I first look to the location, number of bedrooms, baths, square footage, property size, condition and amenities.

As a Realtor, I consider flow, feel and how likeable a home will be to the general home buyer, I also use basic appraisal techniques — if there are some recent nearby sales I will try to

adjust the value up or down based on the property differences, giving subject property a plus if it has views, privacy, a level driveway, interior updates, etc., or a minus if it doesn't measure up to comparable property.

If there's no data to work with, I can apply the cost approach to value, where you essentially break down the value by cost to replace or reproduce the building(s) less depreciation for age, and then add the land value (incorporating site work) to get an estimated range of value.

In the case of a multi-family

or multi-unit dwelling, it can make sense to work out value based on the income a property can produce. Potential annual rental income, less expenses (including taxes, maintenance, etc.) provides a net operating income; multiply that by 10 you can get a value, but again location, size and condition will weigh heavily.

Whether approaching value by sale comparison, cost or income, sometimes the most important factors are hard to quantify, it might be a view, an exceptional kitchen, an awesome fire-

place, a four-car garage or artist studio space — that's when I discuss with a seller what a buyer is likely to pay and while that isn't clear cut, there are always buyers who are looking outside of the box.

The goal of pricing right is to get the highest and best price for the property by bringing as many ready, willing and able buyers to the door.

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