

# How to Set an Offer Price for a Home

Setting the right offer price is a critical step in buying a home. There's no exact formula—each situation is unique—but by researching comparable properties, understanding market conditions, and evaluating the home itself, you can determine a **fair and strategic offer**.

## 1. Review Comparable Sales

Compare homes similar to the one you're interested in:

- **Features to consider:** Number of bedrooms and bathrooms, square footage, lot size, construction type, and garage space.
- **Resources:** The **Multiple Listing Service (MLS)** provides the most detailed and accurate data. Your REALTOR® can help you navigate this.

## 2. Assess Property Condition

Evaluate the home against its neighborhood and its own structural condition:

- Walls, ceilings, floors, doors, and windows.
- Plumbing, electrical systems, and fixtures (light switches, doorknobs, drawer handles).
- Exterior: front and back yard condition.
- Overall: is the property above, below, or at average compared to nearby homes?

## 3. Consider Home Improvements

- Cosmetic updates (paint, décor) usually don't affect value significantly.
- Major renovations or additions—like extra bedrooms or bathrooms—should be factored in.
- Special features (e.g., swimming pools) may influence price, but your REALTOR® can advise how much.

## 4. Understand Market Conditions

<b><u>Market Type</u></b>	<b>Buyer vs. Seller</b>	<b>Impact on Offers</b>
<b><u>Seller's Market</u></b>	<b>High demand, low supply</b>	<b>Homes sell quickly, often above asking price; multiple offers are common.</b>
<b><u>Buyer's Market</u></b>	<b>Low demand, high supply</b>	<b>Properties stay longer on the market; buyers can negotiate lower prices.</b>
<b><u>Balanced Market</u></b>	<b>Supply demand</b>	<b>Prices are stable; some competition may exist, but offers are generally reasonable.</b>

## 5. Set Your Price Range

- Use comparable sales as your starting point.
- Factor in property condition, improvements, and market conditions.
- Decide if your “fair price” is at the **upper, lower, or middle** of the range.
- Keep in mind your negotiation style: most buyers start slightly below their target price to leave room for counteroffers.

**Pro Tip:** Your goal is to make an offer that you'd be **happy with after negotiations**—one that is fair for both you and the seller. A well-researched offer increases your chances of success and positions you as a serious buyer.

