



Thomas Ervin

Let's Talk About Real Estate

“THE C.M.A.”

Every business has its own “buzz” words and the real estate business is no exception. Let's take the term “C.M.A.” All real estate people know what it means. It refers to the words, Competitive Market Analysis.

Whether you are a potential buyer or seller, you should become familiar with a Competitive Market Analysis. A C.M.A. is a written history of those homes that have successfully sold and those listings that have expired during the original listing period.

A C.M.A. removes the guesswork in determining a home's value. This is possible because it puts you in touch with reality, not hearsay, not opinions, but fact. With the price of homes today, there is just too much at stake to be shooting from the hip when it comes to estimating value.

The typical C.M.A. is a computer printout that lists the street address of homes that are similar to the subject home. Also listed are the number of bedrooms, baths, style of home, additional rooms, and other special features. You can find out how long each home was on the market, its asking price and final sale price, and the financing used by the buyer.

If you are a seller, you must be sure that you are pricing your home in accordance with the lessons of the past. The facts provided by a Competitive Market Analysis are the same facts that will be examined by potential buyers. If you study recent sales data, you should be able to price your home with the certain knowledge that you can justify your asking price with reliable information to back you up.

If you are a buyer, a C.M.A. will give you confidence in the wisdom of a particular purchase. The information provided should also be of assistance to your Realtor® when presenting your offer to the seller.

ADVICE: Neither buyer nor seller can feel comfortable with a real estate transaction without factual information. The computers available to today's Realtor can provide current and historical market data. Be sure to ask your Realtor for a C.M.A. when buying or selling.