

What is a Comparative Market Analysis (CMA)?

A **Comparative Market Analysis**, or **CMA**, is a REALTOR's® opinion as to the value of a home in the market place. Ultimately, the value of a home will be set by the buyer's offer and the seller's acceptance, but the well analyzed CMA will give a seller a good idea of how much a buyer will likely spend for his or her home. The agent determines this value by looking at prices buyers have recently paid for homes similar to yours in similar locations.

Keep in mind that the preparation of a good CMA is not a science with formula into which the agent simply plugs numbers. It's an art based on the thorough knowledge of the dynamics of property sales in a specific area. The agent is required to make judgments based on the MLS data he or she collects. You may be tempted by online, computerized CMA's, although, perhaps reasonable as a starting point, usually have a margin of error of (+/-) 7.5 % to start - and at times have been shown to be over or under value by as much as 20 - 30% or more. You may be tempted to rely on the value of your property as set by these sites, but the truth is they have no way to analyze the quality of your improvements or the hundred other peculiarities that affect price in your locality.

A far more accurate estimate of value can be made by a competent real estate agent who lives and works in your local market. The key word here is 'competent', because the agent's experience in the business and familiarity with the local area can also affect the accuracy of the CMA. However, a CMA prepared by an experienced agent with good knowledge of the local market is usually right in line with the ultimate appraised value.

Real Estate is local, you need local expertise. Patrick Parker Realty Agents are experts in the communities we serve and will give you any and all insight as to what your home may be worth. However, for the reasons cited above, we recommend a professional market analysis be made before you set out to market your home.

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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