

WHAT IS THE DIFFERENCE BETWEEN COMPETITIVE MARKET ANALYSIS “CMA” & COMPARATIVE MARKET ANALYSIS “COMPs”?

I have asked several agents and brokers as well, and most, if not all, do not know the difference between a competitive market analysis (CMA) and a comparative market analysis (COMPs).

Both tools have different methodology on getting property's price. CMA simple easy to use and almost all of agents used that method as a short way to come up with listing price, the problem here that 99% of the time agent come up with the wrong market price.

Low figure where seller lose some of extra money they are entitled to earn or high figure where sellers must wait for a magic to happened as like the sky drop a buyer that know nothing about nothing willing to pay top dollars for your home Mr. & Mrs. seller. In both scenarios, we all may gain a grief rather than release.

On the other hand, there is the true tools I may say it is the professional tools to get the highest price to list Mr. & Mrs. seller property that tool called comparative market analysis COMPs I use it in assessing or establishing the fair market value of a property, and when I do my homework studding of the prices at which comparable properties in the same area just sold.

An educated professional real estate agent with marketing degree would perform a comparative market analysis COMPs more often than competitive market analysis CMA, just want to add savvy educated agent would choose the lower or the higher price depend on the microeconomics and macroeconomics situation in order to assistance their clients to oversee and get the most and highest price that they may ask for and get when they list and putting their property in their agent hand again it is not a simple CMA that get us the price our clients deserve but real professional COMPs.

To exemplify this issue, consider for professional agent to secure a listing, he or she shall not. deliberately mislead their client as to market value using only CMA. Clearly, if an agent misleads an owner about market value, due to his or her ignorance or incompetence, such. exaggerate the value of their client property deliberately or by illiteracy, that issue alone would show beyond any reusable doubt that they are not protecting and or promoting that owner's interests.

Let me add that it is very clearly written in the structure of the code of ethics in (Article1). That mislead often happened most of the time when an agent just present CMA without COMPs. In this case scenario, I would stop and ask. How could we as sellers put our property in those agent's hands?