

What is a CMA and Why Do You Need One? (as seen at “Agent Image”)

CMA is real estate shorthand for "Comparative Market Analysis." A CMA is a report prepared by a real estate agent providing data comparing your property to similar properties in the marketplace. The first thing an agent will need to do to provide you with a CMA is to inspect your property. Generally, this inspection won't be overly detailed (she or he is not going to crawl under the house to examine the foundation), nor does the house need to be totally cleaned up and ready for an open house. It should be in such a condition that the agent will be able to make an accurate assessment of its condition and worth. If you plan to make changes before selling, inform the agent at this time.

The next step is for the agent to obtain data on comparable properties. This data is usually available through MLS (Multiple Listing Service), but a qualified agent will also know of properties that are on the market or have sold without being part of the MLS. This will give the agent an idea how much your property is worth in the current market. Please note that the CMA is not an appraisal. An appraisal must be performed by a licensed appraiser.

The CMA process takes place before your home is listed for sale. This is a good assessment of what your house could potentially sell for.

CMAs are not only for prospective sellers. Buyers should consider requesting a CMA for properties they are seriously looking at to determine whether the asking price is a true reflection of the current market. Owners who are upgrading or remodeling can benefit from a CMA when it's used to see if the intended changes will "over-improve" their property compared to others in the neighborhood.