

## Statistical Reporting of Sales By MLS Can Be Misleading

By **JIM SMITH**  
Jefferson County Realtor®

I have never been comfortable with the “average sold price” of homes as reported by the MLS, because it doesn’t convey how much the average home has appreciated (or depreciated). It is simply the average of the houses which sold. If many high-priced homes were sold, the average price went up. That doesn’t mean that *your* home increased in value.

For example, in my Jan. 5 column (which you can read at [www.JimSmithColumns.com](http://www.JimSmithColumns.com)), I reported the 2005 sales statistics for the foothills vs. non-foothills MLS areas in Jefferson County. The statistics showed that the average sold price for single family homes in the foothills areas of Jeffco increased by 12.2%, vs. 3.0% in the non-foothills areas. Does this mean that your own home in one of those areas increased in value by 12%? Not necessarily.

Curious as to the answer, I took a second look at the sold listings for 2004 vs. 2005 in those same areas and found that the price of homes measuring 2000-2200 square feet increased by 2.8%. Homes measuring 3000-3200 square feet increased in average sold price by 3.2%. The statistics, in other words, were greatly distorted by the sale of homes outside these more typical parameters.

In the non-foothills areas of Jeffco — Arvada, Lakewood, Wheat Ridge, Golden, etc. — this

discrepancy barely existed. The typical 2000-2200 sq. ft. home in these areas (combined) rose by 3.6% in sold price from 2004 to 2005, compared to an increase of 3.0% for all size homes.

The lesson here is that statistics may make interesting reading, but what you can expect to sell your house for is a factor of what comparable homes in your own neighborhood have sold for, and that information is best obtained through the services of a qualified Realtor... like me.



### “Should I Renovate?”

Frequently I am asked by a homeowner whether it’s a good idea to do certain renovations before selling, so I’ll tell you what I tell them. I only advise that you make renovations which solve a perceived problem — such as fixing or replacing a rotting porch. Do not make renovations which simply “improve” a house — such as finishing a basement.

If the renovation gets rid of a problem which is a guaranteed negative to potential buyers, then it’s worth doing. If it doesn’t do that, then I suggest that you make the renovation for your own enjoyment rather than for the purpose of making your house more attractive to buyers.

I specifically advise against finishing a basement because, for starters, many people want an unfinished basement for storage. Again, do it for yourself, not them. If you want to discuss this further, I’d be happy to do so.

## This Week’s Featured Listing

### Just Listed Last Thursday!

This 3,663-sq.-ft. home (including fabulous finished walk-out basement) is new on the market this week and should sell quickly at this price. It has 4 bedrooms, 3½ baths, and unsurpassed city and mountain views from its wood deck! The basement was professionally finished in

2005, adding 4th bedroom and 4th bath with clawfoot tub, Saltillo tile and wainscoting. The second family room in the basement features in-ceiling surround sound and a furnace-grade gas fireplace. (That’s a higher-end fireplace which heats space more effectively.) There’s a main floor study behind that porch window. Take a virtual tour on the website to fully appreciate this great home! **\$450,000**

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