

# Average Price per Square Footage (Sqft)

## How do you calculate the Average Price per Sqft?

- **Average Price per Sqft** is the average of sold price divided by square footage of sold listings.

## What Does Average Price per Sqft. Report Do?

- It helps establish the market price for an *average* home.
- It helps *determine if there is any change in property value* for a specific area in a specific price range.

## How to Use Average Price per Sqft. Report?

- Use the highest and lowest monthly average price per square foot on the chart to establish the most marketable price range in a specific area.
- If the home has a larger than normal lot, a special amenity, or is located in an area of social demand, the home price must be adjusted upward.
- Refer to For Sale Vs Sold Report for the number of properties sold per month. If there are less than five properties sold per month for a specific price range, the average price per square foot might be skewed and is not as useful. In this case, an average of the fifteen months or more figures should be used in setting the price.

## You Should Know

- The garage area is not included in the square footage price calculation.
- Individual listings in the MLS system without square foot information are excluded in the average square foot price calculation.
- The Average Price Per Square Foot is a general tool and should not be used alone to set the price of a specific home.

### Presented By



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