

# Follow Local Real Estate Trends

Home prices change constantly. But if you're interested in buying a home, evaluating current conditions is essential to submit a competitive offer without paying too much.

Like any competitive marketplace, real estate prices depend on supply and demand factors. However, each local market faces unique conditions, and you might find different supply and demand factors at various price points within a single zip code.



So, how do real estate professionals monitor their local market? They use different techniques, but here are three of their most common questions:

## 1. Are prices stable, rising, or falling?

Agents look at the median sales price for comparable homes over the past 30, 60, 90, or more days to spot price trends. The median is the middle point—half of the homes sold for more, half for less—providing a clearer view of typical prices.

For the most accurate analysis, they'll limit the properties to truly comparable homes—sales in the same price range with similar characteristics and within a mile of each other.

## 2. How fast are properties selling?

Agents monitor sales velocity by “**days on market**.” It measures the time before a new listing goes under contract—or is removed from the multiple listing service (MLS).

### Other Factors

Agents may also track other data, such as the percentage of the list price received for recent sales, pending sales versus listings, and other statistics.

There are many factors to consider when evaluating the current housing market, and collecting and crunching the best numbers can be challenging. But that's another reason an Accredited Buyer's Representative (ABR®) can be an essential resource when you're ready to buy a home.

## 3. How long will it take to sell the current inventory?

Real estate professionals call this the absorption rate. It's calculated by taking the number of competing properties and dividing it by the number sold per month.

For example, if 10 homes are sold each month, and there are 50 homes for sale, the absorption rate is five months.

### The general rules for interpreting absorption rates :



**As your ABR® we can discuss the trends for your home search. Give me a call today.**



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