



Understanding Market Reports

Active Trends

This report shows the change in properties for sale (ie change in competition) between 2 periods. If competition (units for sale) is rising, this has a negative impact on sale price.

A change in the median asking price indicates sellers' perception of the market direction.

A change in the days on market indicates the market's response to the sellers' asking price.

Sales Trends

This report shows the historic trend of the real estate market by comparing key sales factors for the prior and current periods.

Key sales factors are: Number of Units Sold, Median Price, and Days on Market.

The market is most positive when units sold and the median price are both rising and days on market is falling.

The market is most negative when units sold and the median price are both falling and days on market is rising.

Under Agreement Trends

This report is predictive of future sales. It either confirms the direction of the sales trend or predicts a change in the sales trend.

If the under agreement factors of unit sales, median asking price, and days on market are similar in direction to the sales trend, it confirms of the sales trend for the next 60 days.

If the under agreement factors are going in a different direction than the sales trend factors, then it indicates a probable change in the sales trend within the next 60 days.

Absorption Rate

The absorption rate is the rate of sale per month stated as a percentage.

For Example, if the absorption rate is 8%, then 8 out of 100 properties for sale sold that month.

This report shows the underlying strength of the market by comparing the percentage of "For Sale Properties" that sold in the prior period to the current period. This report detects imbalances between the supply and demand for real estate.

The absorption rate is affected by the: number of units that sold and the number of units for sale.

If the absorption rate is rising, the market demand for real estate is improving and if it is falling, the market demand is deteriorating.

Months of Inventory

The amount of competing inventory affects a property's price.

If there is a lot of competing inventory, then pricing will be lower than if there is little competing inventory.

The report shows the number of months it will take to sell off the current inventory of active listings if the rate of sale remains constant.