

ABSORPTION RATE ANALYSIS

1. Based on your target market segment (Prospective Buyer), identify your geographic search area(s) (which might include neighborhoods, school district, other specifics such as lakefront), price range, time frame, and any other criteria.
2. _____ # of closed transactions (in time period -Ex: 12/3/6/1 month)
3. Divide this number by the time period.
 - a. # of closed transactions _____ divided by _____ months – time period = average closed per month= monthly Absorption Sales Rate (Market Demand)
4. _____ Active # of current listings including pendings
5. Divide this number (current active listings including pendings) by the average closed per month gives you the number of months it will take for the property to absorb.
Absorption Rate Market Supply
 - a. _____ Active # of current listings divided by _____ average demand (average closed per month)= Absorption Rate (Market Supply)

6 month supply is considered to be a balanced market.

Less than 6 months = not enough to fill demand

More than 6 months = over supply for demand

Date of Absorption Rate Analysis: _____ *Calculations based on current information.*

Absorption Rate

Positioning Your House To Sell!

Today's Date: _____

Calculations may change if properties change their price or if new houses enter the market.

(Prospective Buyer Criteria) Prospective Buyer for your property will be looking for:

Six Month Market Snapshot: (within criteria identified above)

Number of closed transactions within identified criteria in last 6 months = _____

Number of listings entered into MLS in the last 6 months (regardless of current status - whether sold, active, expired or withdrawn) and including all current listings no matter when they were listed = _____

(Closed transactions) _____ ÷ _____ (listings entered MLS) =

_____ % of homes that entered the market sold (probability of selling)

_____ % of homes that entered the market did not sell

(Prospective Buyer Perspective) Your property vs. the competition

Property Comparison

1. Location: _____ Rating: (1-10) _____
2. House and site size: _____ Rating: (1-10) _____
3. Condition: _____ Rating: (1-10) _____
4. Features/Amenities: _____ Rating: (1-10) _____
5. Price: _____ Rating: (1-10) _____

FYI: (within defined criteria)

Number of sold properties in the past ___ months: _____

Absorption Sales Rate per month: _____

Properties currently for sale: _____ + your house = _____

Absorption Market Supply (time required to sell current properties): _____ months

Calculate the odds:

_____ monthly sales rate ÷ _____ active properties for sale = _____ % Odds of selling in 30 days

Position to sell within 30 days = position your house in the top _____

Position to sell within 60 days = position your house in the top _____

Position to sell within 90 days = position your house in the top _____

Absorption Rate Realistic Pricing Tool

Agent suggested property price range: _____ - _____

Seller suggested property price range: _____ - _____

Establish prices or price ranges to use for comparison in the following analysis

Analysis #1: Using Seller's suggested pricing

1. (Number of like-kind homes sold in the last 12 months) _____ \div 12 = _____ (Absorption Sales Rate/ number of properties absorbed on monthly basis – market demand)
2. (Number of like-kind homes currently on market) _____ \div _____ (Absorption Sales Rate) = _____ (Number of months it will take to absorb inventory – market supply)

Analysis #2: Using Agent's suggested pricing

1. (Number of like-kind homes sold in the last 12 months) _____ \div 12 = _____ (Absorption Sales Rate/ number of properties absorbed on monthly basis – market demand)
2. (Number of like-kind homes currently on market) _____ \div _____ (Absorption Sales Rate) = _____ (Number of months it will take to absorb inventory – market supply)

Absorption Rate Market Trend

Search Criteria: _____

	12 months	6 months	3 months	1 month
Total # of Solds				
Average # of Solds per month				
# of Actives including pendings				
# of months of supply of houses				

As long as property prices remain the same and no other houses enter the market.

Search Criteria: _____

	12 months	6 months	3 months	1 month
Total # of Solds				
Average # of Solds per month				
# of Actives including pendings				
# of months of supply of houses				

As long as property prices remain the same and no other houses enter the market.

Search Criteria: _____

	12 months	6 months	3 months	1 month
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As long as property prices remain the same and no other houses enter the market.