

Absorption Rate

The Absorption Rate is the speed (rate) at which houses, matching particular criteria, are sold (absorbed into the marketplace).

This absorption rate is based on houses matching the following criteria:

Area/Neighborhood _____
Style of Home _____
Age of Home _____
Size of Home _____
Price Range _____
Other _____
Other _____

Using the above criteria, the Multiple Listing Service reports that _____ houses sold in the previous _____ months. Dividing the number of months into the number of sold properties tells us the number of homes the market is absorbing each month.

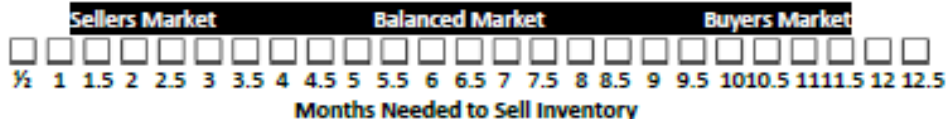
$$\frac{\text{# of Sales}}{\text{time period}} = \text{sales per month}$$

Months of Inventory

Using the Absorption Rate and the criteria above, we can now calculate the number of months inventory there is on the market for houses meeting that criteria.

The MLS reports that _____ number of homes are currently on the market that meet the criteria. Dividing the current inventory number by the number of sales per month gives us the number of months it should take to sell the existing inventory.

$$\frac{\text{Inventory}}{\text{sales/month}} = \text{months of inventory}$$



Odds of Selling within 30 Days

____ (Monthly sales rate) + ____ (total properties for sale) = ____ % Odds of Selling this month