



Set Yourself Apart from the Competition

4 Numbers to Bring to Your Next Listing Appointment

#1 Absorption Rate

If no new listings came on the market, how many months would it take to sell the current inventory at the present sales rate?

Formula: $\# \text{ of current listings} / \# \text{ of listings sold last month} = \text{the number of months of inventory}$

Example: 200 active listings, 210 listings sold last month

$$200/210 = 0.95$$

Less than 1 month of inventory

Example: 200 active listings, 100 listings sold last month

$$200/100 = 2$$

2 months of inventory

Notes

#2 List Price to Sale Price Ratio

This number represents the ratio of the final sales price to the last list price.

Formula: $\text{Final Sales Price} / \text{Last List Price} * 100 = \text{List Price to Sales Price Ratio by Percentage}$

Example: Final sales price \$500,000, last list price was \$520,000

$$(\$500,000 / \$520,000) * 100 = 96\%$$

Example: Final sales price \$500,000, last list price was \$490,000

$$(\$500,000 / \$490,000) * 100 = 102\%$$

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#3 Percentage of Sold Listings

In a Sellers' Market, the fact that not all listings will sell may be overlooked. This number can help set your client's expectations.

Formula: $(\# \text{ of all listings sold last year} / \# \text{ of listings taken last year}) * 100 = \text{percentage}$
Your local MLS should be able to provide you with these two numbers.

Example: 1200 listings taken last year, 780 sold
 $(780/1200) * 100 = 65\%$ of all listings sold last year

Example: 1200 listings taken last year, 1100 sold
 $(1100/1200) * 100 = 91.67\%$ of all listings sold last year

Notes

#4 Market Intelligence

Understanding market data and putting it into perspective for your clients will demonstrate your knowledge of current market conditions.

Sources of market data:

- Buyer and Seller Characteristics (National Association of REALTORS®)
<https://www.nar.realtor/research-and-statistics>
- Real Estate News (Housingwire.com) <https://tinyurl.com/mrjhh4rp>
- Mortgage Interest Rates (CNET.com) <https://www.cnet.com/personal-finance/mortgages/current-mortgage-interest-rates-on-may-16-2022-rates-fall/>
- Existing Home Sales (NAR)
<https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales>
- Housing Data (US Census Bureau) <https://www.census.gov/topics/housing.html>

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