

REAL ESTATE MARKET REPORT
LANCASTER



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Monday, October 6

2014

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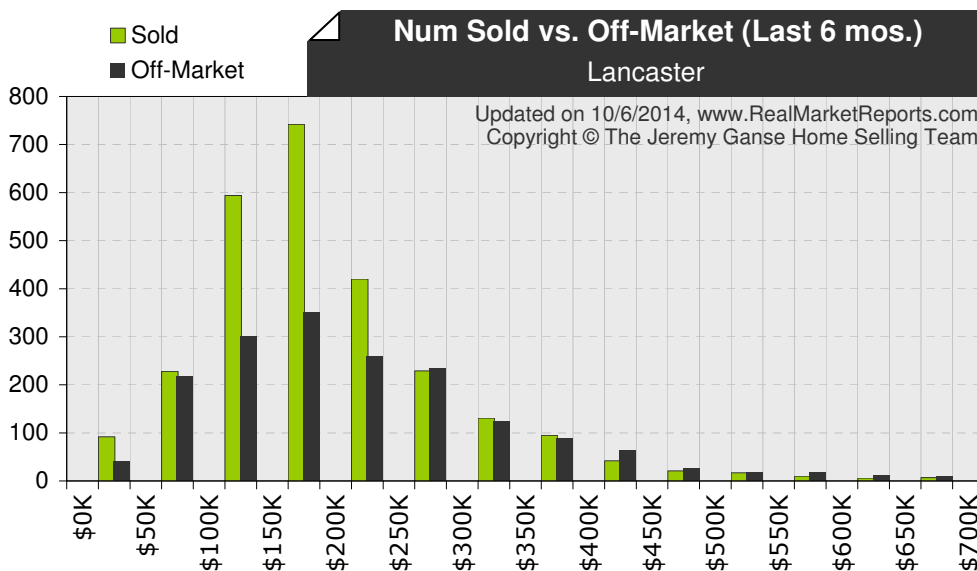
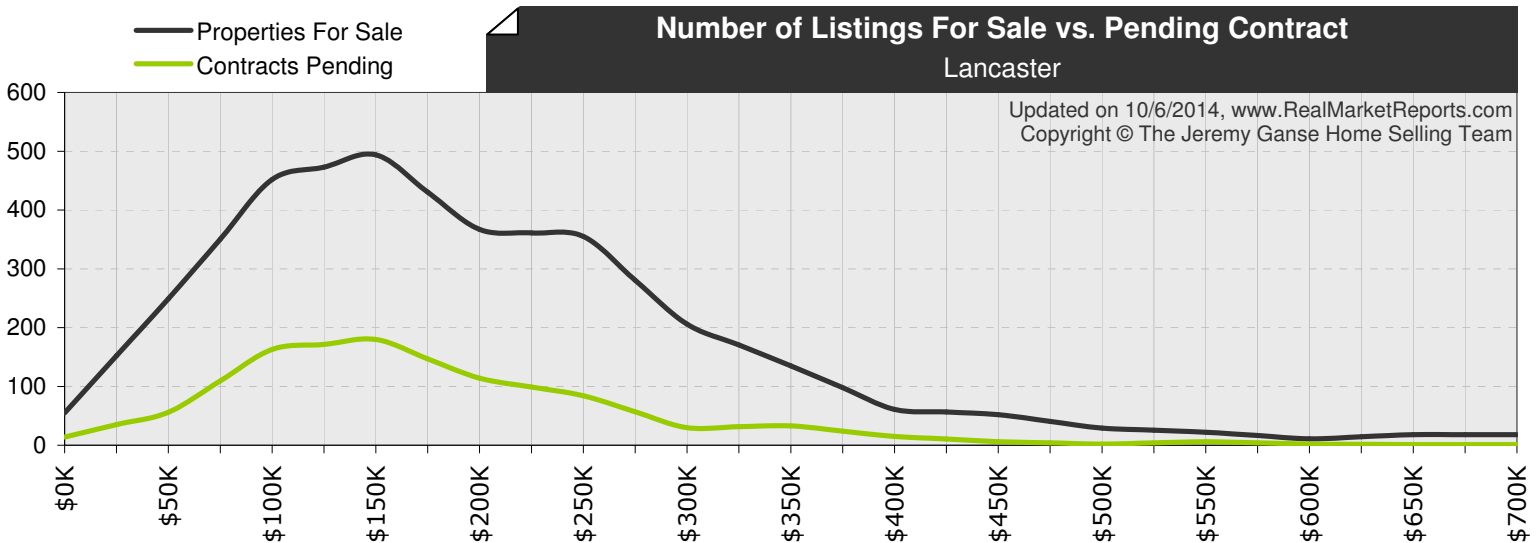
Let's take a look at the real estate market. Currently there are 708 sales pending in the market overall, leaving 2573 listings still for sale. The resulting pending ratio is 21.6% (708 divided by 3,281). So you might be asking yourself, that's great... but what exactly does it mean? I'm glad you asked!

The pending ratio indicates the supply & demand of the market. Specifically, a high ratio means that listings are in demand and quickly going to contract. Alternatively, a low ratio means there are not enough qualified buyers for the existing supply.

"Current inventory is described as mildly active."

Taking a closer look, we notice that the \$150K - \$200K price range has a relatively large number of contracts pending sale.

We also notice that the \$150K - \$200K price range has a relatively large inventory of properties for sale at 494 listings. The average list price (or asking price) for all properties in this market is \$245,640.



A total of 2652 contracts have closed in the last 6 months with an average sold price of \$198,659. Breaking it down, we notice that the \$150K - \$200K price range contains the highest number of sold listings.

Alternatively, a total of 1803 listings have failed to sell in that same period of time. Listings may fail to sell for many reasons such as being priced too high, having been inadequately marketed, the property was in poor condition, or perhaps the owner had second thoughts about selling at this particular time. The \$150K - \$200K price range has the highest number of off-market listings at 350 properties.

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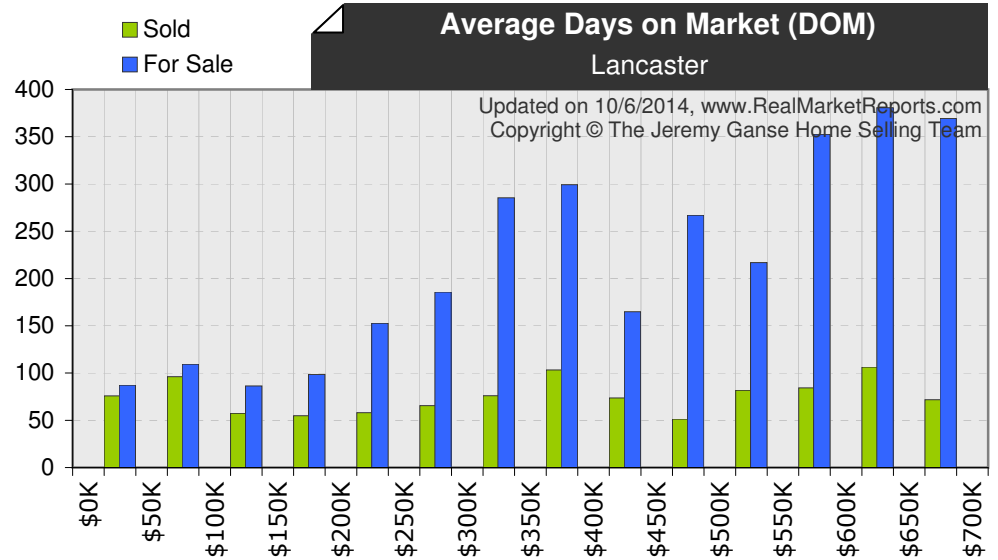
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Looking at the chart to the right, you might be wondering why average days on market (DOM) is important. This is a useful measurement because it can help us to determine whether we are in a buyer's market (indicated by high DOM), or a seller's market (indicated by low DOM). Active listings (properties for sale) have been on the market for an average of 156 days.

Analysis of sold properties for the last six months reveals an average sold price of \$198,659 and 65 days on market. Notice that properties in the \$450K - \$500K price range have sold quickest over the last six months.

The recent history of sales can be seen in the two charts below. The average sold price for the last 30 days was \$192,778 with an average DOM of 69 days.

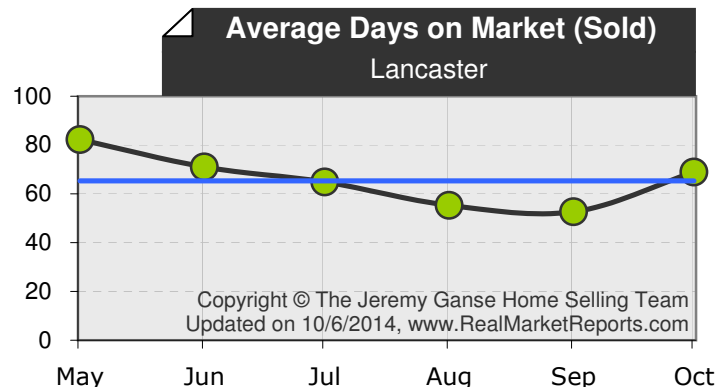
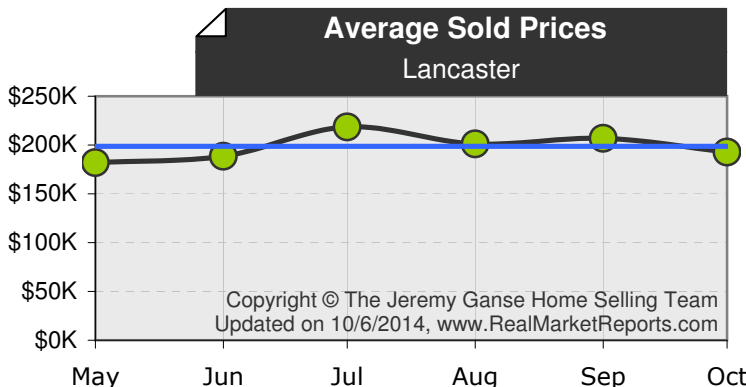
Since the recent DOM is greater than the average DOM for the last 6 months, it is a negative indicator for demand. It is always important to realize that real estate markets can fluctuate due to many factors, including shifting interest rates, the economy, or seasonal changes.



"The average list-to-sales ratio for this area is 97.3%."

Ratios are simple ways to express the difference between two values such as list price and sold price. In our case, we typically use the list-to-sale ratio to determine the percentage of the final list price that the buyer ultimately paid. It is a very common method to help buyers decide how much to offer on a property.

Analysis of the absorption rate indicates an inventory of 5.8 months based on the last 6 months of sales. This estimate is often used to determine how long it would take to sell off the current inventory of properties if all conditions remained the same. It is significant to mention that this estimate does not take into consideration any additional properties that will come onto the market in the future.



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Price Range		Contracts Pending ^[2]					Off-Market in the Last 6 Months ^[3]					Absorption Rate		
		For Sale ^[1]			Pending Ratio		Sold in the Last 6 Months ^[4]					List to Sales	Mos.	
Min.	Max.	Total Num	Avg DOM	Avg List Price	Total Num	Pending Ratio	Total Num	Total Num	Avg DOM	Avg Orig List Price	Avg List Price			Avg Sold Price
\$0	\$49,999	55	87	\$ 39,338	14	20.3%	41	92	76	-	\$ 39,821	\$ 35,049	88.0%	3.6
\$50,000	\$99,999	249	109	\$ 79,313	56	18.4%	217	228	96	-	\$ 84,653	\$ 80,096	94.6%	6.6
\$100,000	\$149,999	452	86	\$ 129,589	163	26.5%	300	594	57	-	\$ 131,694	\$ 128,105	97.3%	4.6
\$150,000	\$199,999	494	99	\$ 176,964	180	26.7%	350	742	55	-	\$ 176,320	\$ 173,115	98.2%	4.0
\$200,000	\$249,999	367	153	\$ 227,459	114	23.7%	260	420	58	-	\$ 226,798	\$ 222,883	98.3%	5.2
\$250,000	\$299,999	355	186	\$ 275,994	84	19.1%	234	229	65	-	\$ 278,222	\$ 272,565	98.0%	9.3
\$300,000	\$349,999	206	285	\$ 327,842	30	12.7%	125	131	76	-	\$ 331,570	\$ 323,265	97.5%	9.4
\$350,000	\$399,999	135	299	\$ 374,968	33	19.6%	88	95	103	-	\$ 384,221	\$ 371,869	96.8%	8.5
\$400,000	\$449,999	61	165	\$ 427,326	15	19.7%	64	42	74	-	\$ 432,981	\$ 420,866	97.2%	8.7
\$450,000	\$499,999	52	267	\$ 478,571	6	10.3%	26	21	51	-	\$ 495,024	\$ 479,662	96.9%	14.9
\$500,000	\$549,999	29	217	\$ 531,220	2	6.5%	18	17	82	-	\$ 538,102	\$ 518,391	96.3%	10.2
\$550,000	\$599,999	22	353	\$ 581,573	6	21.4%	18	10	84	-	\$ 600,790	\$ 569,340	94.8%	13.2
\$600,000	\$649,999	11	381	\$ 617,518	2	15.4%	11	6	106	-	\$ 667,267	\$ 623,167	93.4%	11.0
\$650,000	\$699,999	18	369	\$ 683,620	1	5.3%	10	7	72	-	\$ 701,043	\$ 681,412	97.2%	15.4
\$700,000	+	67	175	\$ 989,013	2	2.9%	41	18	156	-	\$1,005,599	\$ 907,938	90.3%	22.3
Market Summary >>>		2,573	156	\$ 245,640	708	21.6%	1,803	2,652	65	-	\$ 204,251	\$ 198,659	97.3%	5.8

Date Range = 04/07/2014 to 10/06/2014

Data believed to be accurate but not guaranteed.

Status = [1] A; [2] P; [3] E, L, W; [4] C

County = Lancaster

Property Type = Residential/Farm

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1. PROPERTIES FOR SALE

- a. **Number Active:** The number of listings for sale which are currently being marketed but do not yet have a purchase agreement.
- b. **Average Days on Market (DOM):** The average marketing period of currently active listings. This does not account for some listings which have had a previous listing period, but were re-entered as a new listing.
- c. **Average List Price:** The average price that a seller is currently asking.

2. CONTRACTS PENDING

- a. **Number Pending:** The number of current listings for which a contract has been signed but has not yet closed.
- b. **Pending Ratio:** Sometimes called a "list-to-pending ratio". This is a measure of how fast properties are going under contract vs. how fast they are being listed.

$$\text{Pending Ratio} = \frac{P \text{ (Number of Pending Listings)}}{A+P \text{ (Number of Active + Pending)}}$$

(P) represents properties that buyers have chosen

(A+P) represents the entire pool from which they have chosen

3. OFF-MARKET

- a. **Number Off-Market:** The number of listing agreements that have failed to close in the last 6 months. Some owners may choose to reoffer their property for sale.

4. PROPERTIES SOLD

- a. **Number Sold:** The number of properties that have gone to a closing in the last 6 months.
- b. **Average Days on Market (DOM):** The average marketing time it has taken properties to sell in the last 6 months.
- c. **Average Original List Price:** The average price at which a sold property was originally marketed.
- d. **Average List Price:** The average price at which a sold property was marketed just prior to selling.
- e. **Average Sold Price:** The average price for which a property sold.
- f. **List to Sales Ratio:** The percentage of the list price that the buyer ultimately paid for the property.

$$\text{List to Sales Ratio} = \frac{\text{Average Sold Price}}{\text{Average List Price}}$$

5. OTHER

- a. **Absorption Rate / Months of Inventory:** An estimate of how fast listings are currently selling measured in months. For example, if 100 properties sell per month and there are 800 properties for sale - there is an 8 month supply of inventory before counting the additional properties that will come on the market.