



# “5 Market Statistics You Should Track”

*“If you’re not tracking, you’re guessing!”*

- 1 Median Price Range Of Homes Sold**

Statistically speaking, mean (average), median (the middle number of all sales prices), and mode (the price with the most houses for sale at that price) are quite different, as you can see from their definitions. Thus, it is not unusual for the average price to be quite below the median price, which is dependent on both the lowest and highest sales prices. Realtors usually provide the Median price range, which is the price range in the middle for that area (but NOT the average). List prices are often known as fantasy land. Sold prices are what brokers sell homes for in the area. To effectively price any property you must compare recent, previous sales of LIKE PROPERTIES.
- 2 Number of Listings In An Area**

It’s important to pay attention to the number of listing in an area. Sometimes this indicates an undesirable area. A high number of listing in an area is less desirable for a seller because it means more competition, more alternatives, and less potential for a high sales price.
- 3 Average List Price In An Area**

A smart way to approach real estate market statistics is to compare average list price to average sales price, and median list price to median sales price. Extreme home prices in a range can skew an average, so it’s best to throw these "outliers" out for a more meaningful number. For example, suppose five homes in a neighborhood sold for \$180,000, 220,000, 275,000, 290,000 and 800,000. The average is \$353,000, but would this really be indicative of the price of homes in the neighborhood? Of course not, but if we throw out the \$800,000 outlier, the average price is \$241,250 -- almost a \$112,000 difference! Obviously, \$241,250 is a better indicator. Also, percentage changes in the average and median over a period of time show trends. The median is a mathematical result that indicates that one half of the group is higher and one half lower. Median price of 101 sold homes would be that price which is lower than 50 of the prices and also higher than 50 of them. Do not confuse this term with the average. They can be quite different for the same sample group. For instance, if you are doing a sold properties report and the homes are very evenly distributed, the median and average might be very similar. However, if the homes sold were weighted more to one end or the other of the price spectrum, then the median and average could be quite different.
- 4 Sale Price To List Price Ratio**

The final sale price (what a buyer pays for the home) divided by the last list price expressed as a percentage. If it's above 100%, the home sold for more than the list price. If it's less than 100%, the home sold for less than the list price. Looking at sale-to-list percentages can help buyers and sellers get a sense of how to negotiate on pricing. To calculate the average sale-to-list for a group of homes, add up each home's sale-to-list ratio, then take the average of the total.
- 5 Average Days On Market**

One of the first things a buyer asks about a listing is its days on market. Days on market matter because it indicates a motivated seller that may be willing to sell for less. It can also indicate a problem with the property, but most often it is due to a seller not wanting to come down in price. To determine the average days on market, agents take the last 30 days to six months of sold listings, add together the days on market (before each listing went pending) and divide that total by the number of listings. I like using median figures to describe market statistics because it isn't adversely influenced by extreme numbers. If I was looking in an area for recent sales and everyone was around \$700K, but there was one special property that sold for a 3 million...it won't affect my numbers when calculating with medians.



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## “12 Answers To Your Most Important Home Buying Questions”

### IN CLOSING:

I am happy to discuss real estate advice with you at length at any time. It is my hope that the above information reflects my resolve to assist you in a professional manner with your real estate transactions. My objective is to make you a client for life and to create an “experience” that exceeds your expectations.

Over the years, I have developed a system and a team of professionals that will provide you with the highest level of service throughout your real estate transaction. We will guide you through the process from start to finish.

When buying a home you need careful planning, precision, expertise, and execution. Besides offering a streamlined service and cutting edge real estate resources, we strategically plan your home purchase to ensure the best possible experience from the initial home search, to receiving the keys to your dream home.

In other words, you can count on us to guide you to decisions that best fit your needs and provide the greatest amount of benefits. Our service is very close and personal, and you can expect nothing but excellent service in the years to come.

Your real estate professional,

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