

# 4 Data Points to Follow in Your Market...and Why

Showcase your local expertise to build trust and attract new business

There are many reasons **why** your last client may have chosen you as their real estate agent. Perhaps it was a great recommendation, your track record in the area, or just hitting it off in your first meeting.

Regardless, behind all of these reasons is one key ingredient in how that client saw you: **as an expert in their market**

As the benefits of knowing your market are undeniable, the question becomes how do I do this quickly and easily? In this short lesson, we'll cover **what to know** and **how to find it** in the portal.

## Why?

Demonstrating your knowledge of a local real estate market will:

*'help your client understand the market conditions at play that may affect their experience in the sale*

*'build trust and confidence in your ability to add value as their representative in the transaction*

The 4 Key Components of Market Knowledge:

## Market Activity



How much sales activity is taking place in this area or price range?

### Why?

Often times the frenzy of a busy market can spark many changes in the way properties are priced and negotiated...and vice versa. Acknowledging the current activity level is first step in understanding the market now.

## Market Pricing



Where are prices now?

### Why?

Whether looking near-term or long-term, this is often the first question prospective clients want to know. Market pricing directly affects their bottom line in the transaction.

## Buyer Demand



How competitive is the market now?

### Why?

The strength of buyer competition tells us the intensity and speed of the real estate environment we are entering. This data may also foreshadow what direction pricing may be moving in the near future.

## Supply & Demand



How is the balance of supply & demand?

### Why?

An oversupply in a particular segment of the market can signal favorable conditions for buyers while strong demand/less inventory may prove favorable to sellers.

# 4 Data Points to Follow in Your Market...and Why

Showcase your local expertise to build trust and attract new business



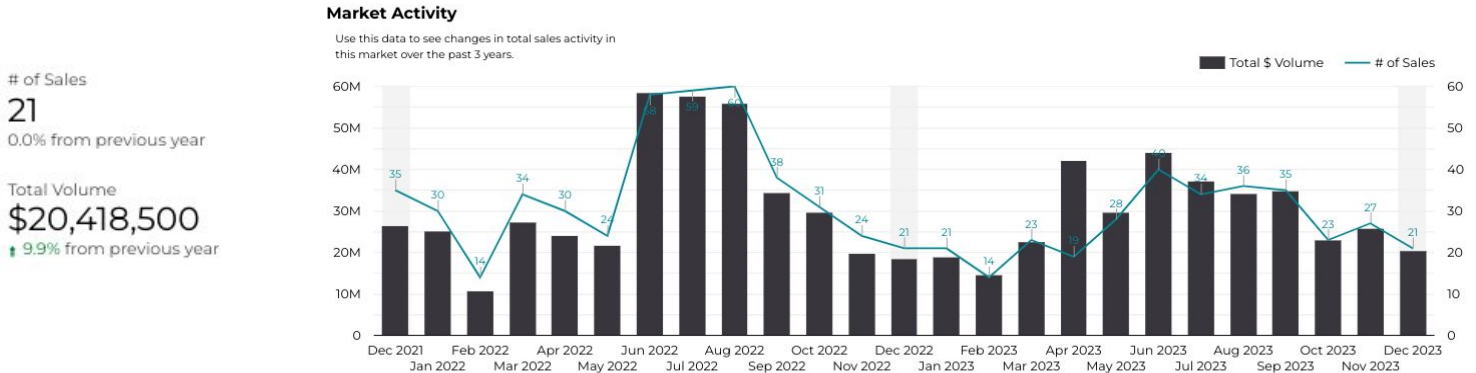
Data-Driven Real Estate: **Knowing Your Market**

[MLSSAZ DataPortal- MarketReports](#)

## Market Activity

Overall sales activity occurring in an area or price range.

Find it here > [MarketReports](#)  
"Monthly: Sales & Pricing"



**What this tells us:** For the area and price range (\$300K-\$450K) selected, we have several things from this graph we can share with our client.

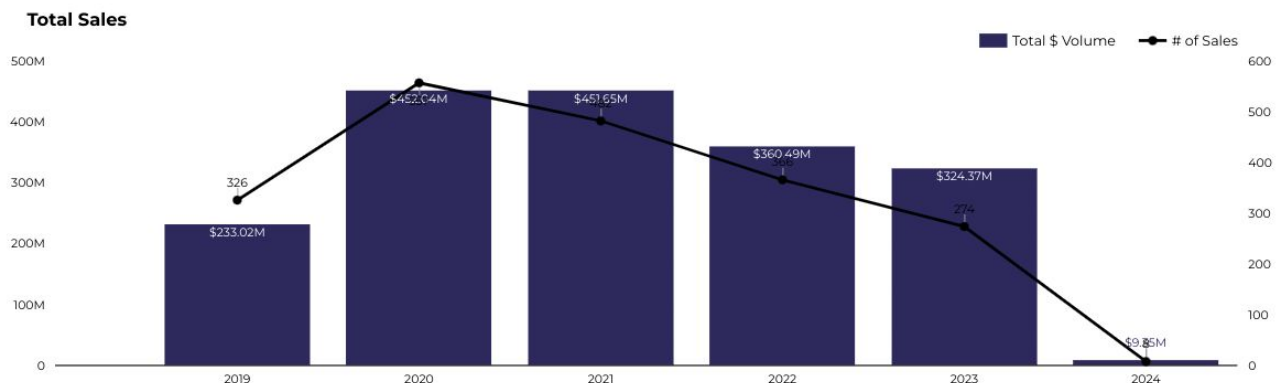
- 1) With 21 sales last month, market activity in our price range is right on par with this season last year.
- 2) Based on this market's history, activity is likely to slow down in the 2 months ahead.
- 3) Typically, this area sees a doubling in activity going into April making it an ideal time to take advantage of heightened energy in the market.

You may show this information, mention it in conversation if asked, or not address it all.

The key is that within only a few moments you are prepared with the concrete numbers to know what is going on with sale activity to advise your client accordingly.

**Bigger Picture:** If we want to take it a step further and share some insight about activity in this clients area or price range over the last few years, this snapshot may also be used to show how the market for this client's property may be moving at a slower pace than years past.

Find it here > [MarketReports](#)  
"Yearly: Sales & Pricing"



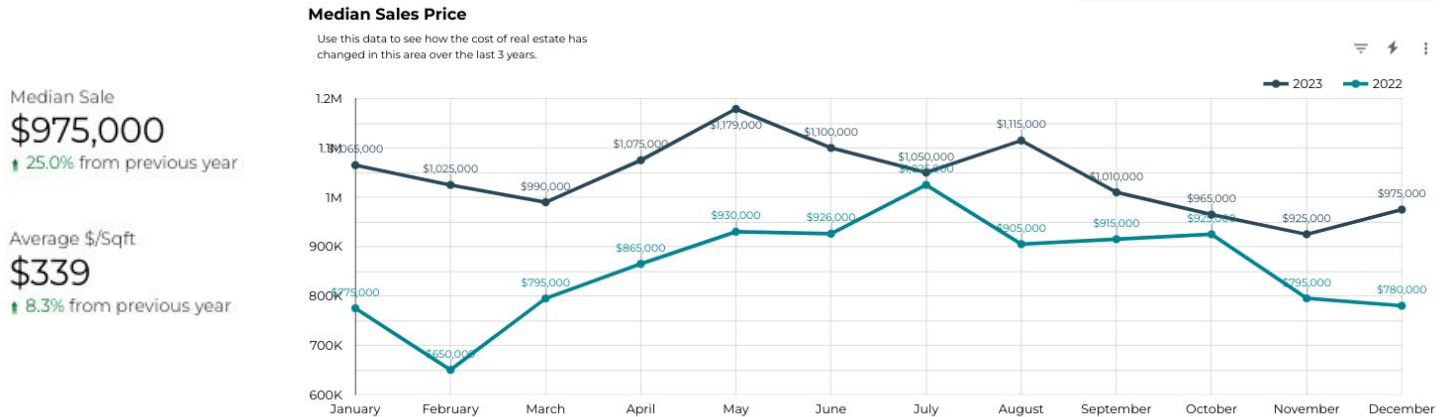
# 4 Data Points to Follow in Your Market...and Why

Showcase your local expertise to build trust and attract new business

## Market Pricing

Changes in the relative cost of real estate over time

Find it here > [MarketReports](#)  
"Monthly: Sales & Pricing"



**What this tells us:** For the area selected, we have several things on pricing here we can share with our client.

- 1.) This past month (and the previous 12 months) has exceeded the previous year in median sale price...conveying optimism for a seller.
- 2.) Since median sale prices may sometimes skew high, we may also look at \$/sqft, which is up 8.3%.
- 3.) Prices typically push upward in Feb/March and reach high points May-June.

Pricing information is almost always discussed. This data may be presented to help build an optimism with sellers or to discuss seasonality.

The key here is that we quickly have those data points and a few clear visuals we can use if support is needed.

**Bigger Picture:** Again, we may also want to zoom out and address market pricing longer-term with the snapshot below. This is useful in speaking to the potential **appreciation** of your client's property since the year of their purchase.

Find it here > [MarketReports](#)  
"Yearly: Sales & Pricing"

### Median Sale



# 4 Data Points to Follow in Your Market...and Why

Showcase your local expertise to build trust and attract new business

Data-Driven Real Estate: **Knowing Your Market**

[MLSSAZ DataPortal- MarketReports](#)

## Buyer Demand

The relative strength of buyers competing for similar properties

Find it here > [MarketReports](#)  
"Monthly: Buyer Demand"

### Buyer Competition

Explore the seasonality of competitive bidding in this area and understand where closings are taking place now in comparison to their asking price.

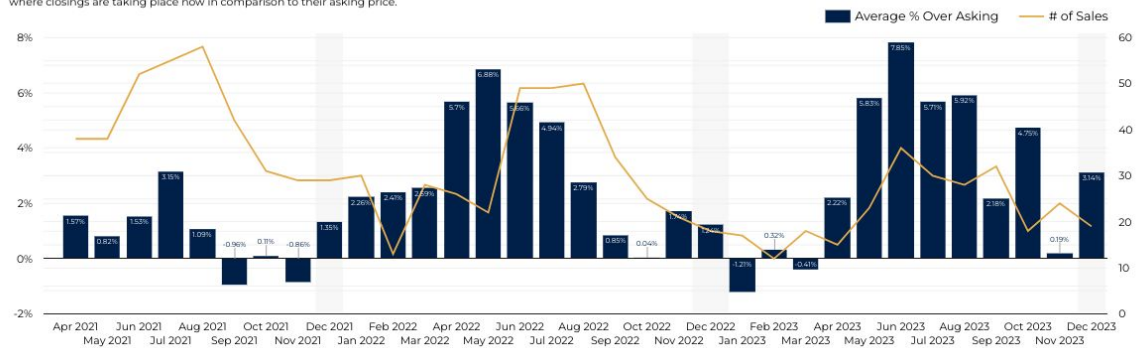
Average % Closed Over Asking  
**3.14%**

↓ 1.89% from previous year

Median DOM

**32**

↓ -20 from previous year



**What this tells us:** For the area and price range selected in our filters, here are the facts we now know:

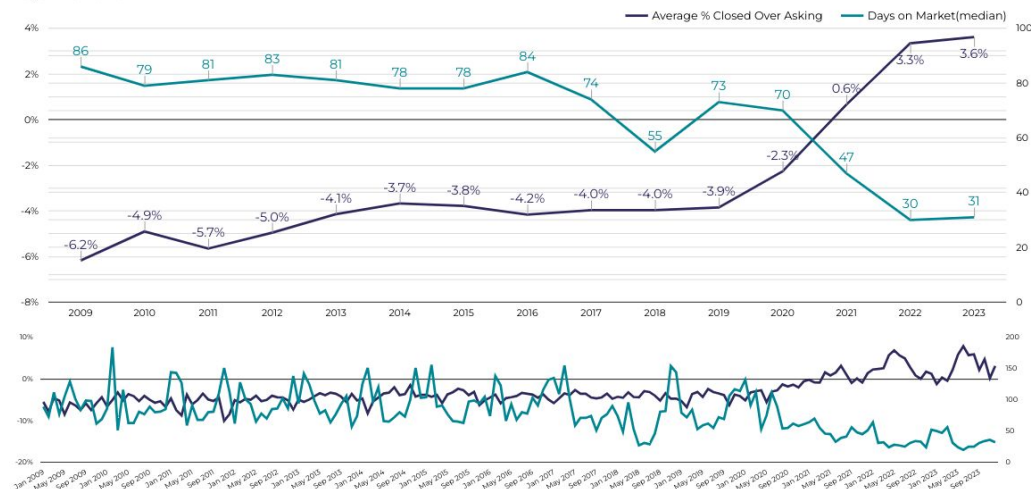
- 1.) Buyers for similar properties are now bidding almost 2% higher last month than in the previous year.
- 2.) The market remains incredibly competitive with almost every month bidding over asking in the last 2 years. This conveys a sense of optimism for potential sellers and sets expectations for potential buyers.
- 3.) Of the 30 sales that occurred last month, the median time on market was 20 days faster than last year.

This competition information can help dictate our strategy in pricing, set expectations on the bids we may expect, and influence which time of year may make the process of selling easiest. For buyers, this data is also useful in understanding how to approach the market from the opposite perspective.

**Bigger Picture:** For a longer-term perspective, it can also be useful to show how the current market this year compares to the last time your client participated in the market.

Find it here > [MarketReports](#)  
"Yearly: Demand & Inventory"

### Buyer Demand



# 4 Data Points to Follow in Your Market...and Why

Showcase your local expertise to build trust and attract new business

## Supply & Demand

The balance of sellers and buyers in a particular part of the market

Find it here > [MarketReports](#)  
 "Monthly: "Inventory"

# of New Listings (Supply)

**5**

↓ -4 from previous year

Months of Supply Now

**1.05**

# of New Pending (Demand)

**15**

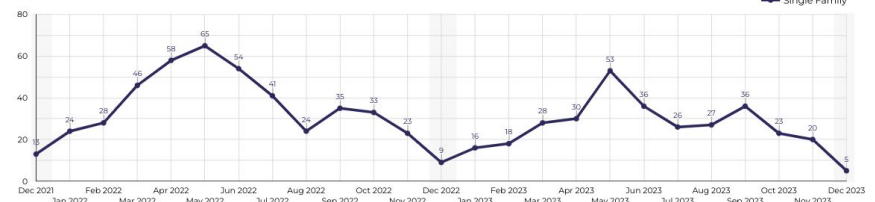
↑ 1 from previous year

# of Actives Now

**20**

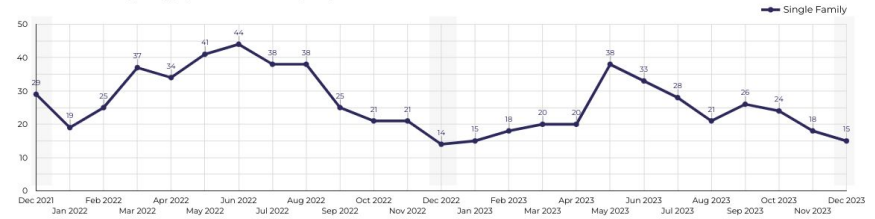
### New Listings

Use this data to view new inventory delivered in this market over the past 3 years.



### New Pending

Use this data to view newly pending properties each month over the past 3 years.



**What this tells us:** For the area and price range selected,, here's what we know:

- 1.) New pendings(15) were much higher than new supply(5) last month. This is a strong sign for sellers as the amount of new supply coming to market may not be keep up with the amount of interested buyers.
- 2.) Months of Supply at 1.05 is incredibly low versus the greater market also indicating a seller's market.
- 3.) Seasonally, activity on both supply and demand side peak in May...something that may influence your client's timing in coming to market.

Supply & demand information may only make sense to bring up with certain types of clients. However, having insight into this certainly helps to showcase you as having access to more sophisticated views of the market when needed.

**Bigger Picture:** To put in perspective how the market's inventory has changed over time, the visual below can help, especially on the buy side to demonstrate affordability across a chosen area.

Find it here > [MarketReports](#)  
 "Yearly: "Demand & Inventory"

### New Listings Delivered

Narrow & Compare Price Ranges: \$500k-\$699k; \$700k-\$899k; \$300k-\$499k; \$900k-\$1.09M (4)

