

Total Market Overview

SAMPLE

TOTAL MARKET OVERVIEW

PRICE RANGE	NUMBER AVAIL-ABLE	PENDING CON-TRACTS	% PENDING	% OF TTL MKT	DAYS ON MARKET	AVERAGE LIST PRICE	AVERAGE SOLD PRICE	VARIANCE
\$ 1 - 99,999	947	82	7.97	9.35	71	\$80.163		
\$100,000 - 149,999	1849	270	12.74	19.25	68	\$126,830		
\$150,000 - 199,999	2182	317						
\$200,000 - 249,999	1449	167						
\$250,000 - 299,999	988	97						
\$300,000 - 349,999	563	49						
\$350,000 - 399,999	500	24						
\$400,000 - 449,999	225	9						
\$450,000 - 499,999	239	13						
\$500,000 - 549,999	137	7						
\$550,000 - 599,999	177	9						
\$600,000	684	24						
TOTAL	9940	1068						

GOOF PROOF INSTRUCTIONS

1. Use your MLS Computer.
2. For each price range
3. Get a total count of available properties in the area that you market. (Active Listings)
4. Get a total count of pending contracts. (Under Contract)
5. If you need to change price ranges to fit with your market, do so.
6. Write the numbers in.
7. Then total them up.
8. Write the total in at the bottom of the chart.

Please Follow The Instructions.

Don t be tempted to take short-cuts.
Don t change the format.

If price ranges of most homes in your area are under \$100,00, go ahead and adjust the price ranges to fit your area.

You may want to segment in \$25,000 price ranges instead.

Keep everything else on the chart the same.

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\$150,000 - 199,999

9. To Calculate % Pending

In the price range \$100,000 - \$149,999

$947 + 82 = 1029$ Total # of Homes In Price Range

$82 \div 1029 = 7.97\%$ Percentage of Homes Under Contract.

Do this for each price range.

\$200,000 - 249,999

\$250,000 - 299,999

10. To Calculate % of Total Market

$947 + 82 = 1,029$ Total # of Homes in Price Range

$9,940 + 1,068 = 11,008$ Total # of Homes in Entire Market

$1,029 \div 11,008 = 9.25\%$ Percentage of Total Market

\$300,000 - 349,999

\$350,000 - 399,999

Explanation:

The total number of homes in the entire market is 11,008

The total number of homes in this price range is 1029

This represents 9.35% of the entire market.

\$400,000 - 449,999

\$450,000 - 499,999

Instructions:

\$500,000 - 549,999

\$550,000 - 599,999

1. Do these same calculations for each price range.

2. Practice a few times using the numbers on this completed chart.

3. Practice until you can do this quickly and easily!

4. Don't round off the numbers.

5. Show sellers and buyers how precise you are.

6. You'll blow away your competition if you do this.

\$600,000

TOTAL

Total Market Overview (TMO)

Now that you've completed the Total Market Overview, what does it tell you?

Lots!

It will clearly show you where you should concentrate your marketing efforts, as well as serve as a powerful tool when you're on your presentations.

Let's take a look at what the TMO is showing you and where to market most effectively.

You'll want to target the area that has the highest turnover, the highest number of pendings, and the fastest sales. This will guarantee you a higher response!

Here's how to make sure you are doing just that.

Look at the price range(s) with the most available homes. In our example, that would be between \$100,000 and \$200,000. This also dominates the percentage of our total market. We now know that the homes in these price ranges are the ones to target with our marketing, because this is where the most are available. But, should we target buyers or sellers?

Good question. Take a look at the percentage pending in this area. Here is a rule of thumb:

If the percentage pending is over 25%, it is a seller's market. There are many contracts on these available homes, and the sellers are getting pretty darn close to their list price. Obviously, there are buyers who are making offers and buying these homes at these prices. Typically, the days on the market will be less, too, when the percentage is over 25%, which is another good indication of a seller's market.

If the percentage pending is under 25%, it is a buyer's market. This low percentage of offers being made on the homes indicates that the homes are just sitting there. Usually because they are overpriced. The buyer has a much better opportunity to get a better price than what the home is listed for, because the sellers will realize they have to lower their price to get their home sold! Typically, the days on market will be much longer, too, because hardly any buyers are actually buying. This is another good indication of a buyer's market, because the seller will be anxious, frustrated and more willing to negotiate because they need to get the home sold.

In our example, the percentage pending for the homes between \$100,000 and \$200,000 is under 25%. This means that it's a good time to target buyers for these homes! We could do a number of marketing approaches, i.e., run buyers ads in local newspapers, run buyers ads in other various publications in our area, place a buyers ad in the Homes magazine; organize a buyers seminar, send three-step buyers letters to renters, place buyers ads on our web sites, feature homes in this price range on our web site, etc., etc.

**Please concentrate on this. Find your hottest market area, figure out if it's a buyers or a sellers market, and implement your marketing accordingly.
Work with your market, not against it!**