

Market Update



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Agenda

- What's happening in the market
- Progress in marketing your home
- A plan for moving forward

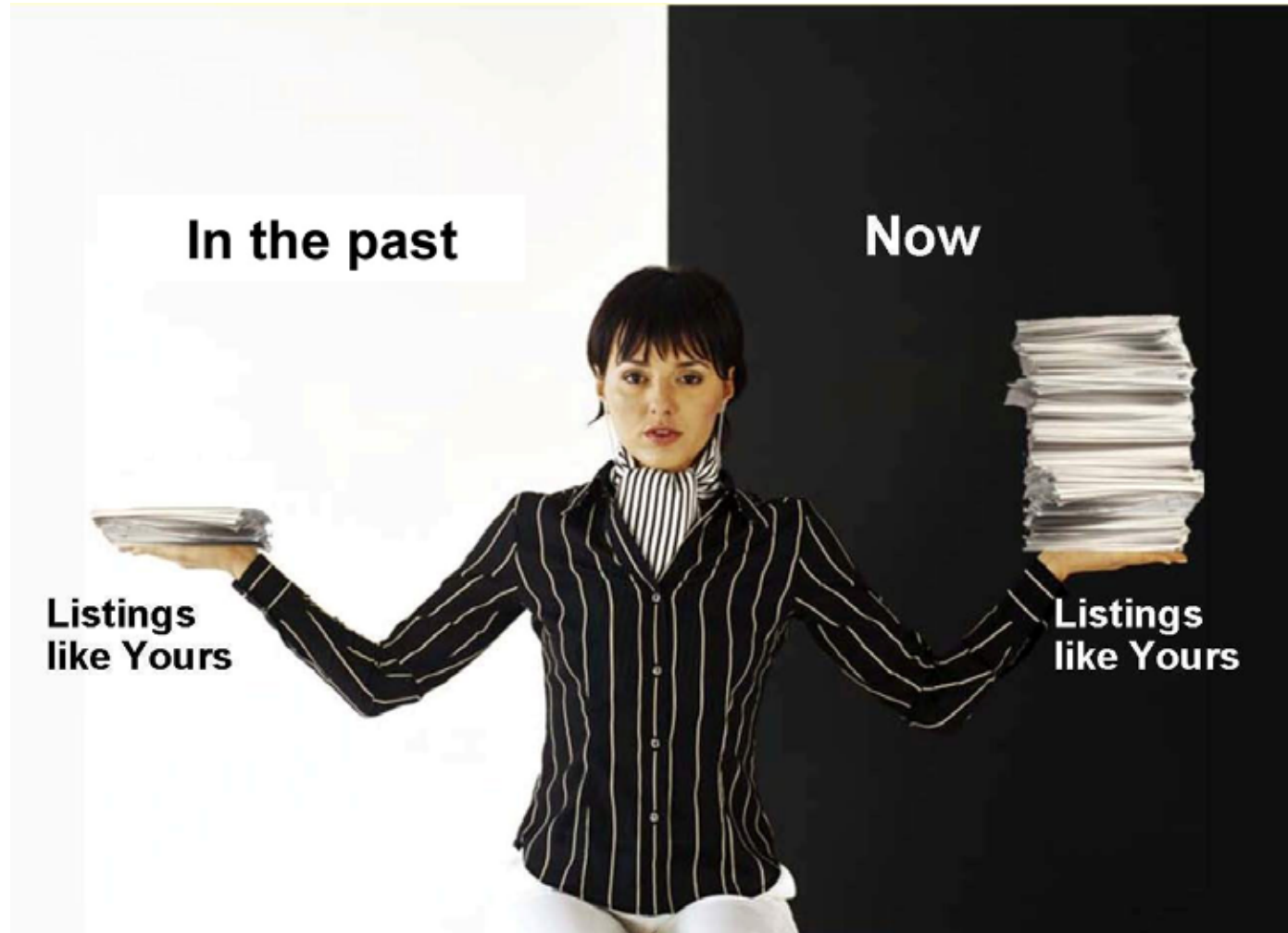
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What Today's Buyers Are Thinking

- Buyers have a leverage/ “deal mentality.”
- Real estate represents a place to live, rather than an investment.
- Buyers have a low sense of urgency to buy.
- Buyers are currently conservative with their personal spending.
- High energy costs create obstacles to buying.

What's Happening in the Market



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What's Happening in the Market

- Houses priced properly for this market are selling.
- In order to sell, prices in many areas are being adjusted.
- Supply continues to exceed demand.
- The market absorption rate continues to increase year over year...

Sample Market Absorption Rate

Anytown, USA

$$\frac{117 \text{ current active listings}}{23 \text{ reported sales in last 30 days}} = 5.1 \text{ months of supply (absorption rate)}$$

The absorption rate, also known as months of supply, is the number of months projected to deplete the existing inventory of homes based on current monthly sales, assuming no new homes will come on the market. In the example above, it would take slightly more than 5 months to sell the existing inventory of homes.

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Market Absorption Scale

(Absorption Rate in Months)

7



5-6 months absorption rate indicates a normal market.


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Key Market Statistics

Week Ending XX/XX/2008

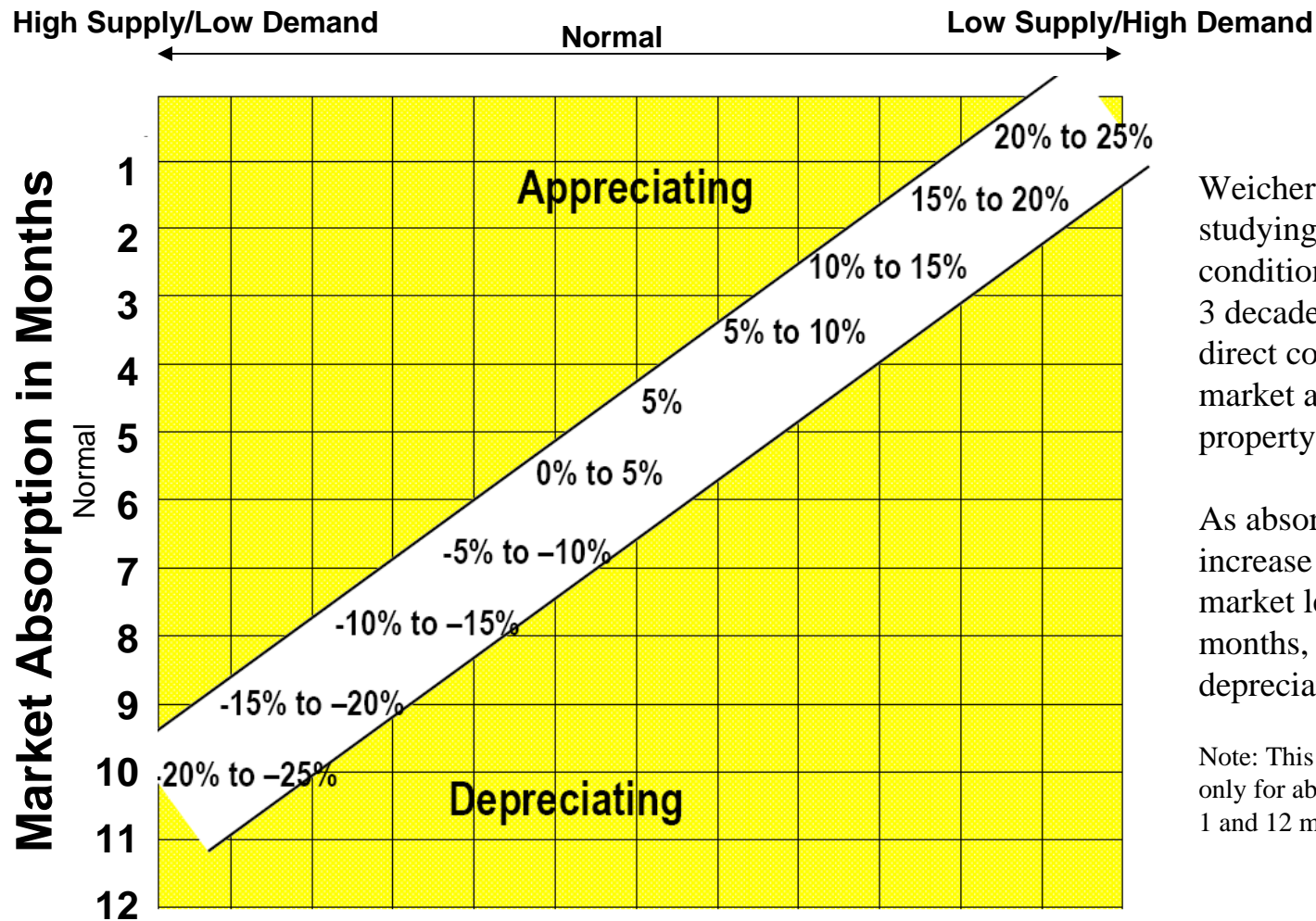
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Town	Total Listings	Under Contract Last 30 Days	Months of Supply/ Absorption Rate
Town A	XX	XX	XX
Town B			XX
Town C			XX
Town D	XX	XX	XX
Town E	XX	XX	XX

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Market Scale for Supply & Demand



Weichert has been studying market conditions for more than 3 decades and has found a direct correlation between market absorption and property values.

As absorption rates increase beyond a normal market level of 5-6 months, property values depreciate annually.

Note: This Market Scale is valid only for absorption rates between 1 and 12 months.

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Price to hit the market not chase it



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Price Trend Analysis

- The Price Trend Analysis is Weichert's tool for summarizing market trends
- It includes a pricing and inventory analysis to determine a price range and time frame for selling a home
- The price range is based on homes that have sold in the past, in the recent past, those that are currently under contract and houses currently on the market

Price Trend Analysis

Weichert, Realtors® exclusive method for determining a home's true market value.

Your Property: _____

Information Gathered As Of: _____

Town/State: _____

Prepared By: _____

List Price: _____

Comparative Closed Sales 12 Months Ago			Comparative Closed Sales 6 Months Ago			Comparative Under Contract List Prices Current			Comparative Active List Prices 0-60 days		
Address	Days on Market	Price	Address	Days on Market	Price	Address	Days on Market	Price	Address	Days on Market	Price
Average Price: _____			Average Price: _____			Average Price: _____			Average Price: _____		
Average Days on Market: _____			Average Days on Market: _____			Average Days on Market: _____			Average Days on Market: _____		
PAST*			RECENT PAST*			TODAY*			FUTURE**		

Current Inventory Analysis Snapshot

Current Active Listings: _____

Current Pending Sales (Past 30 Days): _____

Average Days on Market: _____

*Tax and income prices based upon data provided by the local Multiple Listing Service. **Future prices assume continuation of market trends. This document is not an appraisal and should not be considered to be the equivalent of an appraisal. Each WEICHERT® franchise office is independently owned and operated. Weichert® is a federally registered trademark owned by Weichert Co. All other trademarks are the property of their respective owners. REALTOR® is a federally registered collective membership mark which identifies a real estate professional who is a Member of the NATIONAL ASSOCIATION OF REALTORS® and subscribes to its strict Code of Ethics.

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Let's look at your competition

- Properties currently in competition with yours for buyer attention.
- Properties that have caught buyer attention in the last 30 days.
- At this rate, how many months will it take for the current buyer demand to absorb the current listing supply in this sector of the market?

Competitively Priced Homes are Selling

Effects of Over Pricing:

- Buyer excitement diminishes quickly
- Extends time house is on the market
- Results in price reductions
- May attract “bargain hunters” and discounted offers

Effects of Right Pricing:

- Promotes a sense of urgency among buyers
- Generates interest and showings
- Controls negotiations
- Results in highest price in shortest time

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**How would you like your home to
be positioned in the market?**

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Progress in Marketing Your Home

- Broker open house
- Public open houses
- Agent showings
- Internet activity
- Agent feedback
- Buyer feedback

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Bottom line . . .

Our experience is that an average of 30 showings on a property, usually brings an offer.

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A Plan for Moving Forward

- The market is telling us, by the absence of offers, to generate fresh interest by repositioning your home
- This will bring a whole new group of buyers
- Your home will stand out among all other properties

Your Home vs. the Home You'll Purchase

If the home you're purchasing when you're moving up has adjusted the same percentage of its value as the home you're selling, your move is now more affordable.

	Home A	Home B	Cost of Upgrade
<i>Past</i>	\$300,000	\$500,000	\$200,000
<i>Current</i>	\$270,000	\$450,000	\$180,000
<i>Difference</i>	-10%	-10%	\$20,000 Savings

(To move up from a \$300,000 home to a \$500,000 home takes an additional \$200,000. If each home has a 10% adjustment of its value, only \$180,000 additional is needed – a savings of \$20,000.)

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Let's respond to the market.

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