



Talking to the BUYER

## Supply & Demand:

Market Determination

### ◆ **How Do You Determine:**

- Slow (Buyer's) Market – There is more than a 6-month supply of homes for sale. The buyer is in a better negotiating position.
- Hot (Seller's) Market – There is less than a 3-month supply of homes for sale. The seller is in a better negotiating position.
- Neutral Market – There is a 3-6 month supply of homes for sale. Neither buyers nor sellers have a negotiating advantage.
- The type of market (buyer's, seller's or neutral) is determined by the number of month's supply of homes. This is calculated by dividing the # of homes for sale by the # of homes that are sold.