REAL ESTATE MARKET REPORT
LANCASTER

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Sunday, January 3

2021

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Sunday, January 3, 2021

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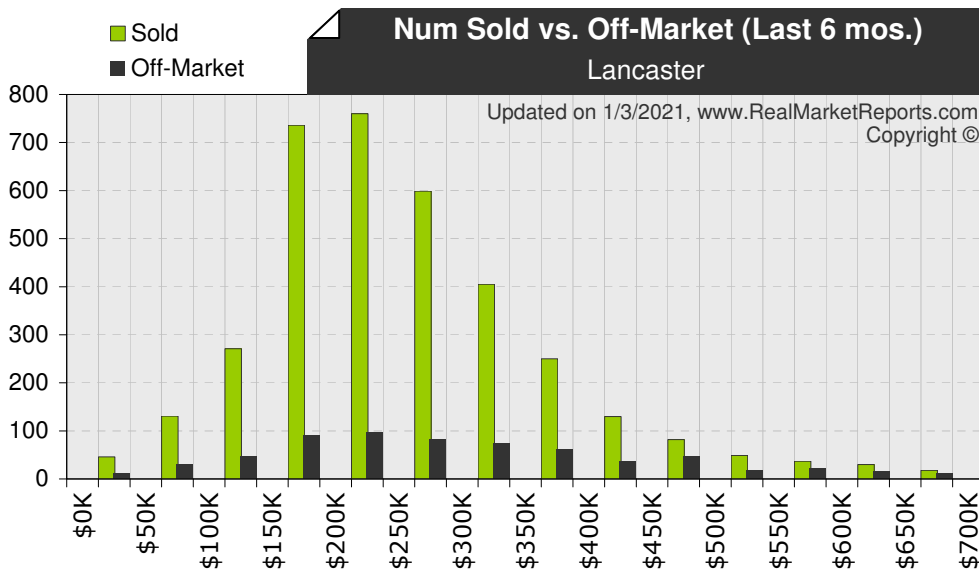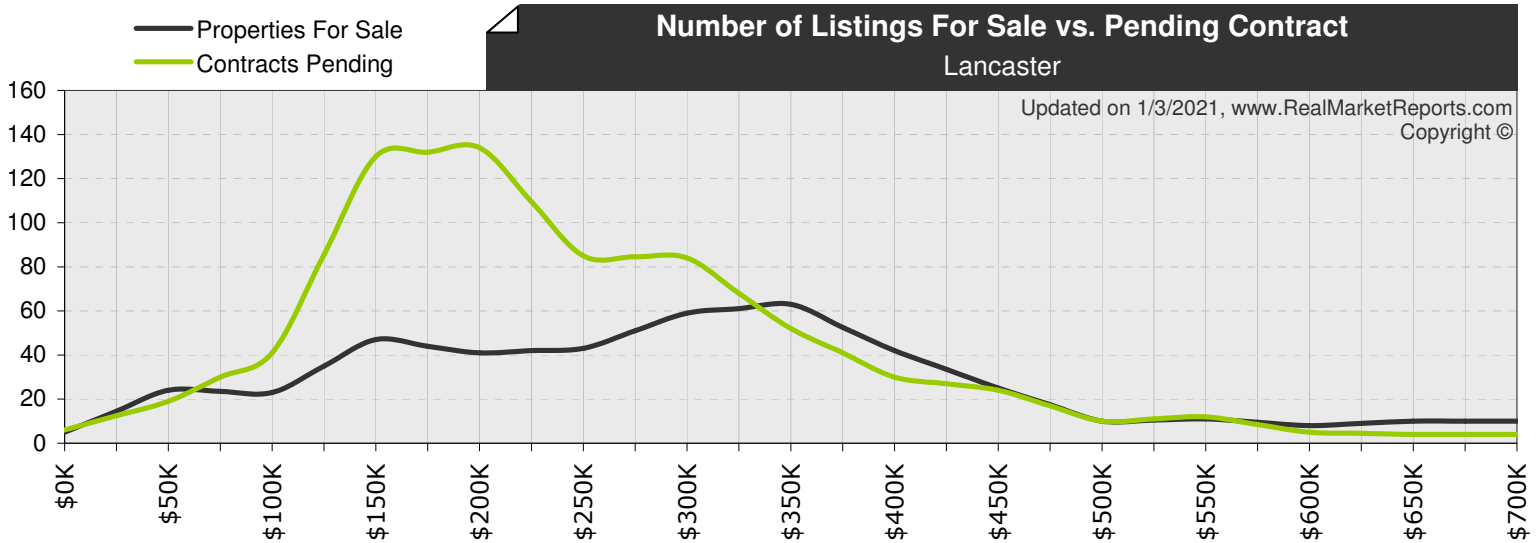remax@smarthubrealty.com

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Let's take a look at the real estate market. Currently there are 648 sales pending in the market overall, leaving 463 listings still for sale. The resulting pending ratio is 58.3% (648 divided by 1,111). So you might be asking yourself, that's great... but what exactly does it mean? I'm glad you asked!

The pending ratio indicates the supply & demand of the market. Specifically, a high ratio means that listings are in demand and quickly going to contract. Alternatively, a low ratio means there are not enough qualified buyers for the existing supply.

"Current inventory is described as active."

Taking a closer look, we notice that the $200K - $250K price range has a relatively large number of contracts pending sale.

We also notice that the $350K - $400K price range has a relatively large inventory of properties for sale at 63 listings. The average list price (or asking price) for all properties in this market is $395,522.

Number of Listings For Sale vs. Pending Contract
Lancaster

Properties For Sale
Contracts Pending

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Num Sold vs. Off-Market (Last 6 mos.)
Lancaster

Sold
Off-Market

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A total of 3593 contracts have closed in the last 6 months with an average sold price of $264,335. Breaking it down, we notice that the $200K - $250K price range contains the highest number of sold listings.

Alternatively, a total of 694 listings have failed to sell in that same period of time. Listings may fail to sell for many reasons such as being priced too high, having been inadequately marketed, the property was in poor condition, or perhaps the owner had second thoughts about selling at this particular time. The $200K - $250K price range has the highest number of off-market listings at 97 properties.

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Looking at the chart to the right, you might be wondering why average days on market (DOM) is important. This is a useful measurement because it can help us to determine whether we are in a buyer's market (indicated by high DOM), or a seller's market (indicated by low DOM). Active listings (properties for sale) have been on the market for an average of 172 days.

Analysis of sold properties for the last six months reveals an average sold price of $264,335 and 27 days on market. Notice that properties in the $150K - $200K price range have sold quickest over the last six months.

The recent history of sales can be seen in the two charts below. The average sold price for the last 30 days was $263,996 with an average DOM of 20 days.
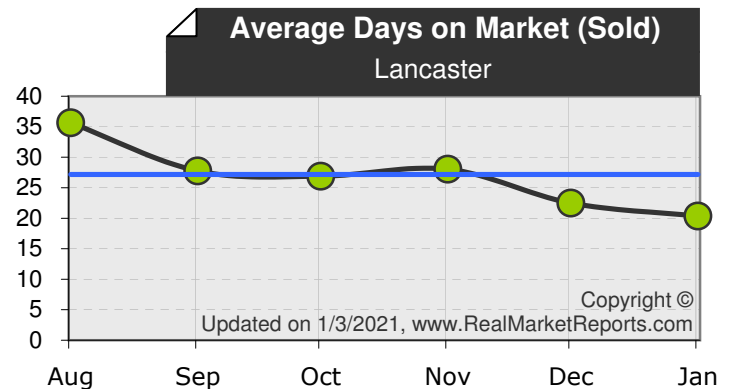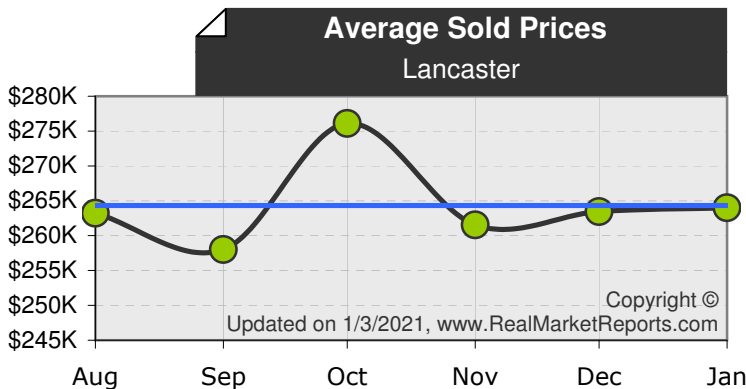
Since the recent DOM is less than the average DOM for the last 6 months, it is a positive indicator for demand. It is always important to realize that real estate markets can fluctuate due to many factors, including shifting interest rates, the economy, or seasonal changes.

Average Days on Market (DOM)
Lancaster
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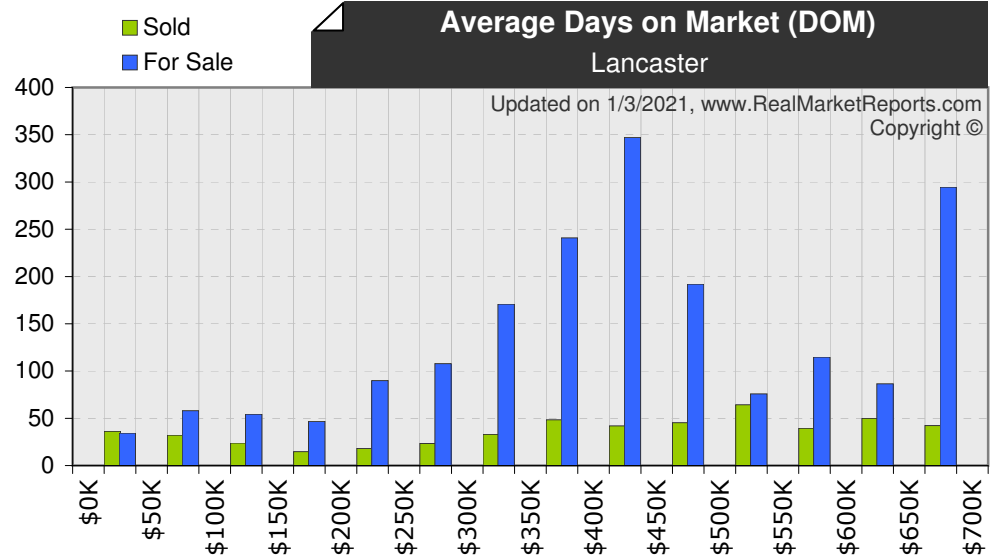
- Sold
- For Sale

"The average list-to-sales ratio for this area is 99.5%."

Ratios are simple ways to express the difference between two values such as list price and sold price. In our case, we typically use the list-to-sale ratio to determine the percentage of the final list price that the buyer ultimately paid. It is a very common method to help buyers decide how much to offer on a property.

Analysis of the absorption rate indicates an inventory of 0.8 months based on the last 6 months of sales. This estimate is often used to determine how long it would take to sell off the current inventory of properties if all conditions remained the same. It is significant to mention that this estimate does not take into consideration any additional properties that will come onto the market in the future.

Average Sold Prices
Lancaster
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Average Days on Market (Sold)
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Price Range		For Sale [1]			Contracts Pending [2]		Off-Market in the Last 6 Months [3]	Sold in the Last 6 Months [4]						Absorption Rate
Min.	Max.	Total Num	Avg DOM	Avg List Price	Total Num	Pending Ratio	Total Num	Total Num	Avg DOM	Avg Orig List Price	Avg List Price	Avg Sold Price	List to Sales	Mos.
$0	$49,999	5	34	$ 36,180	6	54.5%	11	46	36	$ 41,369	$ 39,399	$ 29,487	74.8%	0.7
$50,000	$99,999	24	58	$ 77,609	19	44.2%	30	131	32	$ 79,689	$ 78,158	$ 73,984	94.7%	1.1
$100,000	$149,999	23	54	$ 126,143	41	64.1%	48	271	24	$ 132,584	$ 130,798	$ 128,989	98.6%	0.5
$150,000	$199,999	47	47	$ 176,230	130	73.4%	91	736	15	$ 174,158	$ 175,235	$ 174,455	99.6%	0.4
$200,000	$249,999	41	90	$ 228,610	134	76.6%	97	760	18	$ 225,367	$ 226,474	$ 226,020	99.8%	0.3
$250,000	$299,999	43	108	$ 278,818	85	66.4%	82	599	23	$ 269,568	$ 272,039	$ 271,986	100.0%	0.4
$300,000	$349,999	59	171	$ 328,691	84	58.7%	74	405	33	$ 320,788	$ 323,317	$ 322,975	99.9%	0.9
$350,000	$399,999	63	241	$ 376,957	52	45.2%	61	250	48	$ 373,024	$ 372,276	$ 372,652	100.1%	1.5
$400,000	$449,999	42	347	$ 426,219	30	41.7%	36	130	42	$ 421,596	$ 422,547	$ 421,389	99.7%	1.9
$450,000	$499,999	25	192	$ 472,736	24	49.0%	47	82	45	$ 476,208	$ 477,505	$ 471,632	98.8%	1.8
$500,000	$549,999	10	76	$ 523,480	10	50.0%	17	49	64	$ 535,606	$ 533,719	$ 521,760	97.8%	1.2
$550,000	$599,999	11	115	$ 572,827	12	52.2%	22	37	39	$ 585,368	$ 585,479	$ 574,987	98.2%	1.8
$600,000	$649,999	8	87	$ 623,474	5	38.5%	15	30	50	$ 626,883	$ 629,989	$ 621,794	98.7%	1.6
$650,000	$699,999	10	295	$ 678,179	4	28.6%	11	18	42	$ 689,876	$ 686,543	$ 671,676	97.8%	3.3
$700,000	+	52	307	$1,007,133	12	18.8%	52	49	103	$ 954,843	$ 940,266	$ 931,670	99.1%	6.4
Market Summary >>>		463	172	$ 395,522	648	58.3%	694	3,593	27	$ 265,001	$ 265,735	$ 264,335	99.5%	0.8

Date Range = 07/05/2020 to 01/03/2021

Data believed to be accurate but not guaranteed.

Status = [1] ACT; [2] PND; [3] WTH, EXP, CNL; [4] CLS
CountyOrParish = Lancaster
PropertyType = Residential

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1. PROPERTIES FOR SALE

a. **Number Active:** The number of listings for sale which are currently being marketed but do not yet have a purchase agreement.

b. **Average Days on Market (DOM):** The average marketing period of currently active listings. This does not account for some listings which have had a previous listing period, but were re-entered as a new listing.

c. **Average List Price:** The average price that a seller is currently asking.

2. CONTRACTS PENDING

a. **Number Pending:** The number of current listings for which a contract has been signed but has not yet closed.

b. **Pending Ratio:** Sometimes called a "list-to-pending ratio". This is a measure of how fast properties are going under contract vs. how fast they are being listed.

$$\text{Pending Ratio} = \frac{P \text{ (Number of Pending Listings)}}{A+P \text{ (Number of Active + Pending)}}$$

(P) represents properties that buyers have chosen
(A+P) represents the entire pool from which they have chosen

3. OFF-MARKET

a. **Number Off-Market:** The number of listing agreements that have failed to close in the last 6 months. Some owners may choose to reoffer their property for sale.

4. PROPERTIES SOLD

a. **Number Sold:** The number of properties that have gone to a closing in the last 6 months.

b. **Average Days on Market (DOM):** The average marketing time it has taken properties to sell in the last 6 months.

c. **Average Original List Price:** The average price at which a sold property was originally marketed.

d. **Average List Price:** The average price at which a sold property was marketed just prior to selling.

e. **Average Sold Price:** The average price for which a property sold.

f. **List to Sales Ratio:** The percentage of the list price that the buyer ultimately paid for the property.

$$\text{List to Sales Ratio} = \frac{\text{Average Sold Price}}{\text{Average List Price}}$$

5. OTHER

a. **Absorption Rate / Months of Inventory:** An estimate of how fast listings are currently selling measured in months. For example, if 100 properties sell per month and there are 800 properties for sale - there is an 8 month supply of inventory before counting the additional properties that will come on the market.

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Glossary